



*California's*  
**Strategic Two-Year Plan**  
**For Title I of the**  
**Workforce Investment Act of 1998**  
**and the**  
**Wagner-Peyser Act**

**As Revised for the Period of**  
**July 1, 2007 – June 30, 2009**

**California Workforce Investment Board**

---

## State Plan Modifications by Section

Plan Section	Modification	Page Number
<i>Plan Development Process</i>	Discusses the planning process for the original and the revised Two-Year State Plan.	2
<i>I. A-E</i>	Updated to reflect refinements to priorities and the CCCCO Career Advancement Academy initiative.	4
<i>III. B. 1, 2</i>	Reflects new State Board composition and special committee structure.	11
<i>III. B. 3</i>	Updated to include Senate Bill (SB) 293 and Assembly Bill (AB) 925 and their effect on State Board composition.	12
<i>III. B. 5</i>	References SB 293 and its effect on State Board functions.	13
<i>III. C. 1</i>	Discusses the State Board's collaborative processes for the State Plan and for the SB 293 strategic planning effort.	16
<i>III. C. 4</i>	Replaces the State Youth Council with the Special Committee on Lifelong Learning and the State Youth Vision Team. Updates two other cross-cutting youth organizations.	18
<i>IV. A -H</i>	Updates economic and labor market analysis with 2005-2006 information.	20
<i>IV. J</i>	References SB 293 strategic planning process.	54
<i>V. A</i>	Discusses leveraging of public and private funds using WIA funds, the regional collaborative/sector approach to doing so, and the Bay Area Workforce Funding Collaborative.	54
<i>V. B</i>	Updates strategies to address refined national direction and Governor's priorities, including use of the SB 293 planning process.	56
<i>V. D</i>	Implementation of Special Committee on Business and Industry strategies to promote sustained strategic partnerships between workforce and economic development.	59
<i>V. F</i>	Adds Special Committee on Business and Industry business services framework to strategies for serving small business.	60
<i>V. G</i>	Adds business services policy framework to incentive awards.	62
<i>V. H</i>	Discusses new vehicles for collaboration between workforce and education partners and briefly discusses Career Technical Education activities.	63
<i>V. J</i>	Includes the State Board's policy for identifying, developing, and submitting federal WIA waiver requests.	65
<i>VI. E</i>	Job Corps participation in the new SYVT.	67
<i>VII. A, B</i>	Introduces the State Board's voluntary, State-level One-Stop Certification process.	68
<i>VII. C</i>	Introduces the State Board's One-Stop cost study.	70
<i>VII. D</i>	Discusses the One-Stop cost study and adds One-Stop Certification fiscal incentives.	71
<i>VII. E</i>	Discusses the One-Stop Certification process business services criteria.	72
<i>VIII. A, 1,2</i>	Presents the modification of the NoRTEC and Golden Sierra Local Areas.	73

<i>VIII. B</i>	Discusses the Governor's process for recertifying Local Boards and the new State Board direction for assisting the Governor in re-certifying Local Boards.	74
<i>VIII. C</i>	Discusses the State Board's Capacity Building Workgroup.	75
<i>VIII. D</i>	References updates to the local planning process.	75
<i>VIII. F. 3, 4</i>	Provides the Governor's new allocation formula for the distribution of Dislocated Worker funds and discusses the development of the formula.	78, 79
<i>VIII. G. 2</i>	References the new directive issued on ETPL policy and procedures.	80
<i>VIII. H. 1</i>	Updates strategies the State is using to partner coordination in the One-Stop centers.	84
<i>VIII. H. 3</i>	Adds new mandated One-Stop partner (small business development centers) from SB 293.	85
<i>VIII. I</i>	Discusses the U.C. Davis evaluation of WIA implementation in California.	86
<i>VIII. K. 2</i>	Discusses re-issued directive on local MOUs.	87
<i>VIII. K. 6</i>	Updates WIA funds transfer authority to 50 percent (result of newly approved waiver).	89
<i>IX. A. 5</i>	Discusses the State Board's One-Stop Certification process.	94
<i>IX. C. 1. a</i>	Includes the Comprehensive Strategy for the Employment of People with Disabilities as developed by the Governor's Committee.	97
<i>IX. C. 3. a, d</i>	Updates the Governor's Nurse Education Initiative and adds language regarding the two newly approved waivers on Incumbent Worker Training and Customized Training.	99, 101
<i>IX. C. 4. a</i>	Adds additional strategies implemented to meet the needs of Migrant Seasonal Farmworkers including an update on the State's activities in responding to the January, 2007 freeze in California.	102
<i>IX. C. 4. f</i>	Adds new funding for Community Work Incentives Coordinators.	108
<i>IX. C. 5. a</i>	New SB 293 MOU requirement for referrals to training.	112
<i>IX. E. 1</i>	Discusses the Improving Outcomes for Youth with Disabilities initiative and plan.	117
<i>IX. E. 3. e</i>	Adds new competitive funding to distribution of funding for areas with high concentrations of eligible youth.	119
<i>IX. F. 1, 2, 3</i>	Discusses new strategies and activities regarding the Work Opportunity Tax Credit program.	120
<i>X. C</i>	Includes extension requests for all five of California's approved waivers. Increases Incumbent Worker Training allowance from 10 to 50 percent and increases WIA funds transfer authority from 50 to 100 percent.	125
<i>X. D. 5</i>	Discusses the SB 293 strategic planning process.	130

## **TABLE OF CONTENTS**

<b>I.</b>	<b>State Vision</b>	<b>4</b>
<b>II.</b>	<b>State Workforce Investment Priorities</b>	<b>8</b>
<b>III.</b>	<b>State Governance Structure</b>	<b>9</b>
	<b>A. Organization of State agencies in relation to Governor</b>	<b>9</b>
	<b>B. State Workforce Investment Board</b>	<b>11</b>
	<b>C. Structure/Process for State agencies and State Board to collaborate and communicate with each other and with the local workforce investment system</b>	<b>16</b>
<b>IV.</b>	<b>Economic and Labor Market Analysis</b>	<b>20</b>
<b>V.</b>	<b>Overarching State Strategies</b>	<b>54</b>
<b>VI.</b>	<b>Major State Policies and Requirements</b>	<b>65</b>
<b>VII.</b>	<b>Integration of One-Stop Service Delivery</b>	<b>68</b>
<b>VIII.</b>	<b>Administration and Oversight of Local Workforce Investment System</b>	<b>73</b>
<b>IX.</b>	<b>Service Delivery</b>	<b>91</b>
	<b>A. One-Stop Service Delivery Strategies</b>	<b>91</b>
	<b>B. Workforce Information</b>	<b>95</b>
	<b>C. Adults and Dislocated Workers</b>	<b>97</b>
	<b>D. Rapid Response</b>	<b>113</b>
	<b>E. Youth</b>	<b>117</b>
	<b>F. Business Services</b>	<b>120</b>
	<b>G. Innovative Service Delivery Strategies</b>	<b>121</b>
	<b>H. Strategies for Faith-based and Community-based Organizations</b>	<b>122</b>
<b>X.</b>	<b>State Administration</b>	<b>123</b>
<b>XI.</b>	<b>Assurances</b>	<b>133</b>

## **ATTACHMENTS**

<b>A.</b>	<b>Program Administration Designees and Plan Signatures</b>	<b>136</b>
<b>B.</b>	<b>Glossary of Acronyms and Abbreviations</b>	<b>138</b>
<b>C.</b>	<b>California Workforce Investment Board Membership</b>	<b>140</b>
<b>D.</b>	<b>California Short-Term Industry Projections 2005-07, Industry Sector Growth</b>	<b>142</b>
<b>E.</b>	<b>California Long-Term Industry Projections 2004-14, Industry Sector Growth</b>	<b>143</b>
<b>F.</b>	<b>California Short-Term Occupational Projections 2005-07, Ten Largest Growing Occupations</b>	<b>144</b>
<b>G.</b>	<b>California Short-Term Occupational Projections 2003-05, Employment Growth by Education and Training Level</b>	<b>145</b>
<b>H.</b>	<b>California Long-Term Occupational Projections 2004-14, Ten Largest Growing Occupations</b>	<b>146</b>
<b>I.</b>	<b>California Long-Term Occupational Projections 2004-14, Employment Growth by Education and Training Level</b>	<b>147</b>
<b>J.</b>	<b>Comparison of Growing Occupations in California, Base Year 2004 to Projected Year 2014</b>	<b>148</b>
<b>K.</b>	<b>Top Skills Required in California Industries</b>	<b>150</b>
<b>L.</b>	<b>Local Workforce Investment Areas</b>	<b>152</b>
<b>M.</b>	<b>Workforce Investment Act Performance</b>	<b>153</b>

## Plan Development Process

**Describe, in one page or less, the process for developing the State Plan.**

1. *Include (a) a discussion of the involvement of the Governor and the State Board in the development of the plan, and (b) a description of the manner in which the State Board collaborated with economic development, education, the business community and other interested parties in the development of the State Plan. (§112(b)(1).)*
2. *Include a description of how the State handled public comments. ((§§111(g) and 112(b)(9).)*

The California Workforce Investment Board (State Board)<sup>1</sup> conducted an inclusive public process in 2005 to develop and submit California's Strategic Two-Year Plan (State Plan). After approval by the U.S. Department of Labor (DOL), the State Board began implementing the 2005 State Plan through a new structure of special committees that address the Governor's four priorities for California's workforce system. The four special committees are each comprised of State Board members and non-members from partner and stakeholder communities and investigate and deliberate policy issues in open, public meetings. The inclusive committee process has resulted in most of the modifications to the 2005 State Plan that are presented in this 2007 revision.

At a special February 22, 2007 meeting, the State Board approved a two-phase process for the revision of the State Plan and the development of a new strategic workforce plan for California as required in Senate Bill (SB) 293 (Statutes of 2006, Chapter 630). The State Board views strategic workforce planning as an ongoing process which includes public policy discussions and issue resolution by its special committees. This ongoing process will continue to advance both State and local policy and strategy, as reflected by modifications in this revised State Plan, for addressing the economic and workforce issues which confront California and its local and regional communities.

At the same time, the State Board is committed to the broader strategic workforce planning required of it in SB 293. That process was launched at the same time as the public process for revising the State Plan and is expected to continue until the end of 2007. When completed, the SB 293 strategic workforce plan will serve as a framework for workforce policy development, fiscal investments, and the operation of workforce programs. It will also serve as a strategic framework for the State Plan and other, workforce-related plans such as the Adult Education and Family Literacy Plan.

With the convergence of these two planning processes the State Board will continue to capitalize on its opportunity to be the catalyst for developing a new workforce system vision and strategies that follow the general direction and leadership the Governor has provided since assuming office. The Governor and the State Board also view the eight national priorities, as modified and expanded in 2007, as critical directions for improving and advancing California's workforce system. Finally, the State Board is integrating California's two WIRED projects, and "lessons learned" from them, into its ongoing strategic planning process.

---

<sup>1</sup> See Attachment B for a glossary of acronyms and abbreviations.

The 2007 revised State Plan, once modified, was released for a two-week public comment period in March, 2007. Comments were incorporated in the revised plan as necessary and appropriate, and identified for the State Board at its April 19, 2007 meeting. The 2007 revised State Plan was approved by the State Board at that meeting, and submitted to the Governor for his approval.

## State Plan Content

- I. Describe the Governor's vision for a statewide workforce investment system. Provide a summary articulating the Governor's vision for utilizing the resources of the public workforce system in support of the State's economic development that address the issues and questions below. States are encouraged to attach more detailed documents to expand upon any aspect of the summary response if available. (§112(a) and (b)(4)(A-C).)**

- A. What are the State's economic development goals for attracting, retaining and growing business and industry within the State? (§112(a) and (b)(4)(A-C).)*
- B. Given that a skilled workforce is a key to the economic success of every business, what is the Governor's vision for maximizing and leveraging the broad array of Federal and State resources available for workforce investment flowing through the State's cabinet agencies and/or education agencies in order to ensure a skilled workforce for the State's business and industry? (§112(a) and (b)(4)(A-C).)*
- C. Given the continuously changing skill needs that business and industry have as a result of innovation and new technology, what is the Governor's vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§112(a) and (b)(4)(A-C).)*
- D. What is the Governor's vision for bringing together the key players in workforce development including business and industry, economic development, education, and the public workforce system to continuously identify the workforce challenges facing the State and to develop innovative strategies and solutions that effectively leverage resources to address those challenges? (§112(b)(10).)*
- E. What is the Governor's vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training, including the youth most in need, such as out of school youth, homeless youth, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, migrant and seasonal farmworker youth, and other youth at risk? (§112(b)(18)(A).)*

California's entrepreneurial, innovation-based businesses require a world-class workforce in order to grow and thrive. In recognition of this, Governor Arnold Schwarzenegger's vision is that the State's broad system of public workforce programs prepare future and current workers for the new economy in order to create stable, reliable, higher-wage jobs that will assist in improving the quality of life for all Californians and their communities. In order to achieve this, California's statewide, locally-based workforce investment system must be able to continuously prepare the State's available and future workers for careers in the industries and sectors that are most vital to the State's economic health and growth.

This can only be done if the business-led State Board and Local Workforce Investment Boards (Local Board) continuously improve at:

- Understanding and meeting the workforce needs of business, industry, and regional economies, and taking full advantage of federal flexibility and waiver provisions;
- Targeting resources where the most economic impact can be gained;

- Collaborating to improve California's educational system at all levels in order to equip youth and lifelong learners with the skills they need to be successful in the workplace; and
- Maximizing the accountability of public and private resources invested in workforce development.

*Understanding and Meeting the Workforce Needs of Business and Industry in Order to Prepare Workers for 21<sup>st</sup> Century Jobs:*

Meeting the workforce needs of business and industry and improving California's business climate are the Governor's two primary goals for attracting, growing, and retaining business. California's robust, global economy, which is based on innovation and entrepreneurship, requires a transitional workforce that is continuously prepared with the skills and education necessary to support new and ever-advancing industries, occupations, and careers. In order to prepare available and future workers with the aptitudes and skills that business and industry require, the workforce, education, and economic development systems must develop stronger partnerships and more effective communication with business and industry.

California's workforce investment system and the partnerships that comprise it are based in and directed by local and regional communities. Developing and supporting strong, business-led Local Boards that interact with and develop talent for their economies both locally and regionally can ensure that California's workforce investment system will remain relevant by:

- Becoming increasingly demand driven within the context of California's regional economies;
- Eliminating duplicative administrative costs and services across workforce and economic development regions;
- Enhancing service integration through local One-Stop Career Center systems that focus on services rather than programs;
- Leveraging and targeting youth program investments to those most in need;
- Continuing to improve workforce information systems for strategic planning and career guidance;
- Partnering more effectively with faith-based and community-based organizations;
- Taking full advantage of federal waiver flexibility; and
- Using and integrating enhanced performance accountability across programs.

*Targeting Limited Resources to Areas Where They Can Have the Greatest Economic Impact:*

The Governor introduced new priorities for the investment of statewide workforce resources in order to:

1. Attract more innovative employers with high-skill jobs at good wages to California;
2. Expand the number of workers able to realize the American dream of success; and
3. Strengthen the statewide workforce system to eliminate worker shortages in occupations that are critical throughout California.



The three broad priorities to which the Governor wants all Workforce Investment Act (WIA) discretionary training dollars targeted to are:

1. High-wage, high-growth jobs;
2. Advancing workers with barriers to employment; and
3. Industries and sectors experiencing statewide shortages of workers.

These targeted investments will support high-skilled, high-growth industries such as Biotech and Transportation that are creating new, high-wage jobs. The second priority targets resources to serve California's emerging and available talent, such as persons with disabilities or language barriers, who have significant barriers to employment and career advancement. The third priority targets industries that have a statewide impact, that are vital to the State's economic and societal stability, and are suffering significant shortages of talent in occupations such as nursing.

These are the three broad areas for which the targeting of resources will produce the most positive economic impact. The State Board, in its partnership with other workforce, education, and economic development programs continually tracks these investments and recommends shifts to new target areas as the economy and workforce transition and grow. For example, in 2006, the State Board's Special Committee on Targeting Resources – in partnership with the Labor and Workforce Development Agency (LWDA); the Business, Transportation, and Housing Agency (BTHA); the California Economic Strategy Panel (CESP); and the California Community Colleges Chancellor's Office (CCCCO) – identified the logistics industry as a statewide industry that is experiencing a growing shortage of skilled workers for higher-wage jobs.

#### *Collaborating to Improve California's Educational System At All Levels:*

A flexible, outcomes-based education system is vital, at all of its levels from kindergarten through graduate studies, to providing both youth and adults with lifelong learning opportunities that are aligned with the needs of the new and changing economy. It is critical, for instance, that California continue to improve core K-12 education to prepare future workers with the skills and information necessary for careers in the 21<sup>st</sup> Century economy. The Governor also believes that all of California's youth, particularly those most in need, must have opportunities for successful careers, so the State is pursuing initiatives to:

- Increase the number of high school graduates, particularly within groups that now have higher than average non-completion rates;
- Strengthen the career technical and vocational education components within K-12 education, high schools, adult schools, and community colleges;
- Establish coordinated strategies for improvement that include K-12, community colleges, adult education, the California Secretary of Education, and the University of California and California State University systems; and
- Use labor market and economic information in new and innovative ways to guide curriculum reforms in education and training.

The Governor and the State Board are partnering more closely with education in order to influence and achieve these outcomes. In 2006, the State Board's Special Committee on Lifelong Learning, which is chaired by the Chancellor of California's community colleges, contributed significantly to a multi-million dollar initiative that will offer career technical education through regionally-based Career Advancement Academies. The academy programs will be established and administered by community colleges, in partnership with Local Boards, school districts, economic development entities, organized labor, and industry. The Career Advancement Academies provide an example of the blending of the workforce and education systems that is critical to sustaining and advancing California's economy and quality of life. The Governor's goal is to achieve a true continuum of education and training to support a workforce that can make the necessary transitions among occupations, industries, and careers through lifelong learning and skill advancement as the State's economy evolves.

*Ensuring the Accountability of Public and Private Workforce Investments:*

One of the Governor's first actions upon entering office was to order a top-to-bottom review of State government. In order to make State government more effective and efficient, seven principles were established for building partnership, providing better service, and eliminating waste. State and local governments must:

- Act as partners,
- Communicate effectively,
- Have predictable funding,
- Be performance-based and accountable,
- Have clear roles and responsibilities,
- Be streamlined,
- Be flexible and innovative, and
- Change for the future.

As part of this effort, the Governor has directed the departments and agencies within his administration to significantly improve State government performance. Optimizing coordination and communication, and strategically sharing and investing resources are key initiatives in making California's public service infrastructure as effective and efficient as it can be. This is particularly true in eliminating duplication of services and achieving administrative efficiencies at both the State and local levels. Savings can then be directed towards improved public services such as workforce training.

As an example, the Governor is working actively with many State agencies to address economic development and workforce challenges across public systems. Among these governmental entities are the State Board; the California Department of Education (CDE); the University of California system; the California State University system; the CCCCO; the LWDA; the BTHA; the California Health and Human Services Agency (CHHSA); the Employment Training Panel (ETP); and the CESP.

These entities and others are coordinating and planning strategically to identify the economic, education, and workforce challenges facing California and to develop solutions to address those challenges. An important direction is to more effectively

coordinate and administer public funding for the programs and services these governmental organizations provide, as well as for the populations and businesses they serve. The LWDA and the State Board will continue to strengthen their partnership with Local Boards, local One-Stop Operators, and local partner programs in identifying administrative efficiencies and governmental cost savings in order to maximize investment of available funds in training services in areas that currently have the most economic impact.

The Governor is also expanding State and local intergovernmental efforts to improve public/private partnerships in an effort to better coordinate public- and private-sector investments and resources. The private sector invests significant resources, both through businesses and foundations, in recruiting and training new employees, as well as in training existing employees for new and more demanding jobs. The public sector can more effectively leverage and employ private sector investments in the public workforce system if it can demonstrate strategic investments of its own, such as California's ETP funding. Another example is \$52 million that the Governor and the State Legislature included in the 2006 State budget for Career Technical Education (CTE). New accountability and administrative efficiencies, that result in expanded and improved services to both the citizens and the businesses of California, will also improve the public sector's ability to leverage private-sector commitments and resources.

**II. Identify the Governor's key workforce investment priorities for the State's public workforce system and how each will lead to actualizing the Governor's vision for workforce and economic development. (§§111(d)(2) and 112 (a).)**

The Governor's key priorities for California's public workforce system are:

- Understanding and Meeting the Workforce Needs of Business and Industry in order to Prepare Workers for 21<sup>st</sup> Century Jobs –
  - ✓ Increase State, regional, and local partnerships and linkages between the education, workforce, and economic development systems;
  - ✓ Improve the shared accountability of publicly funded programs;
  - ✓ Develop stronger partnerships with Local Boards;
  - ✓ Promote policies supporting management/labor partnerships in "high road" industry sector initiatives;
  - ✓ Provide policies supporting local business services; and
  - ✓ Take full advantage of federal flexibility and waiver provisions.
- Targeting Limited Resources To Areas Where They Can Have the Greatest Economic Impact –
  - ✓ Focus these investments on high-wage, high skilled, high-growth jobs; advancing workers with barriers to employment; and industries in California's regional economies with statewide labor shortages; and
  - ✓ Track the effectiveness of investments and recommend shifts to new target areas as circumstances warrant.

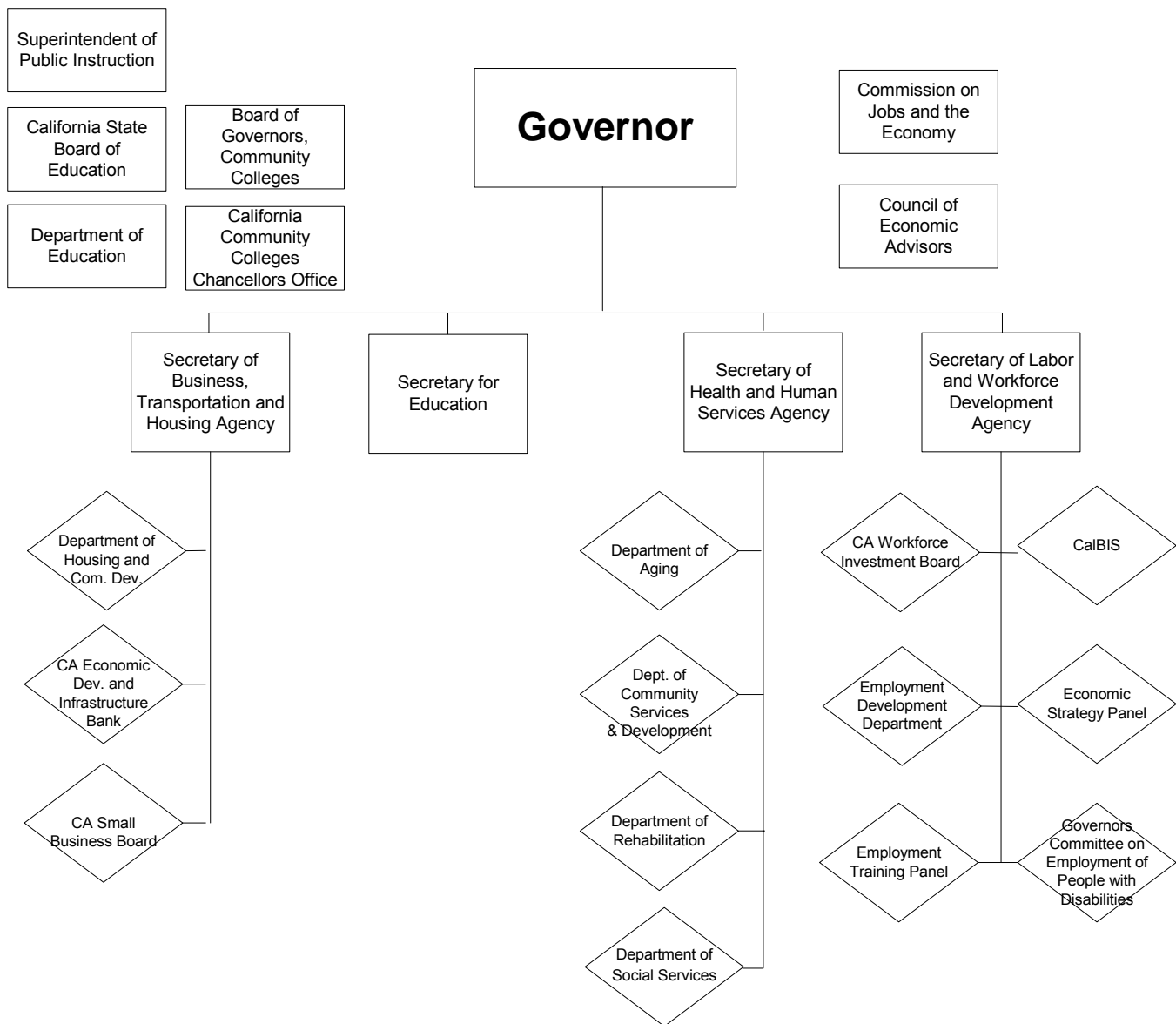
- Collaborating to Improve California's Educational System At All Levels –
  - ✓ Strengthen career technical and vocational education at all levels of education;
  - ✓ Increase the number of high school graduates;
  - ✓ Promote partnerships between the State and Local Boards and education; and
  - ✓ Align lifelong learning opportunities with the new economy.
- Ensuring the Accountability of Public and Private Workforce Investments –
  - ✓ Improve State and local government partnerships and coordination to maximize the use of public and private workforce resources in improving and expanding services such as workforce training;
  - ✓ Leverage federal and private sector commitments and resources; and
  - ✓ Maximize the effectiveness and efficiency of the workforce investment system.

These four key priorities for California's workforce system are addressed in the Governor's vision for the system in Section I. The Governor's vision also includes discussion about how achieving these priorities will implement the vision.

### **III. State Governance Structure (§112(b)(8)(A).)**

#### *A. Organization of State agencies in relation to the Governor:*

1. *Provide an organizational chart that delineates the relationship to the Governor of the agencies involved in the public workforce investment system, including education and economic development and the required and optional One-Stop partner programs managed by each agency.*



2. *In a narrative describe how the agencies involved in the public workforce investment system interrelate on workforce and economic development issues and the respective lines of authority.*

The Governor appoints Secretaries for each of the four agencies identified in the chart above. The Governor also appoints department heads under each of those agencies. The Secretaries of the LWDA; the BTHA; Education; and CHHSA are members of the Governor's Cabinet and meet on a regular basis. The interrelationship of appointed officials at the cabinet level allows for and drives cross-communication of issues both formally and informally at all levels of State government.

All of the California agencies involved in the public workforce system are within the Governor's administration, with the exception of the CDE and the CCCCCO. The

Superintendent of Public Instruction (Superintendent) is an elected statewide office-holder and the Chancellor of the Community Colleges (Chancellor) is elected by a Board of Governors. The Superintendent oversees workforce education programs such as Adult Education and Family Literacy, while the Chancellor oversees certain vocational, apprenticeship, and economic development funding that is used by community colleges to develop and provide curriculum. These officials are appointed members of the State Board and, while collaborating at the cabinet level in developing policy for California's workforce investment system, they also ensure partnership and cross-communication at the department and staff levels.

*B. State Workforce Investment Board (§112(b)(1).)*

*Describe the organization and*

- 1. Structure of the State Board. (§111).)*
- 2. Identify the organizations or entities represented on the State Board. If you are using an alternative entity which does not contain all the members required under section 111(b)(1), describe how each of the entities required under this section will be involved in planning and implementing the State's workforce investment system as envisioned in WIA. How is the alternative entity achieving the State's WIA goals? (§§111(a-c), 111(e), and 112(b)(1).)*

Attachment C provides a listing of the current membership and the organizations/classes represented on the State Board. During the first two years of the current five-year planning cycle, California has successfully increased the business membership on the State Board in order to meet required private sector majority membership. The LWDA has worked with both the Governor's Office and the State Board itself to rebuild, revitalize, and redirect the organization. Inactive members have been removed and replaced with new members in order to build a team that can provide leadership in achieving the Governor's vision and priorities for the workforce system. This effort has ensured that the State Board maintains the broad representation and specific classes required in law, as well as the critical private sector majority.

The State Board has two officers: the State Board Chair and State Board Vice-Chair. Both of these positions are appointed by and serve at the pleasure of the Governor. The Chair and Vice-Chair are members of the private sector. The Chair has the responsibility to call and preside at all State Board meetings and perform other duties as required. The Vice-Chair acts as the Chair in the Chair's absence and performs other duties as required.

The State Board accomplishes its work through a committee structure comprised of one standing committee, special committees, and ad hoc committees. The standing committee is constituted to perform continuing functions, is comprised of State Board members, and is a permanent committee. Special committees are appointed by the State Board Chair to carry out specified tasks, include non-member State and local partners and stakeholders, and are usually time-limited. Ad hoc committees are informal workgroups comprised of State Board, partner, and stakeholder staff; are time-limited and task-oriented; and are formed to

develop work products for the State Board. A brief description of the State Board's current standing and special committees follows:

*Administration Committee:* As a standing committee, it provides recommendations to the full State Board regarding special committee responsibilities and assignments; coordinates the work of special and ad hoc committees; develops agendas for State Board meetings; and, in instances where urgency and time constraints do not permit items to be acted upon by the full State Board, takes necessary actions and makes necessary commitments on behalf of the State Board, subject to ratification by the full State Board. The members of this committee are the Chair and Vice-Chair of the State Board, the special committee chairs, the Secretary of the LWDA, the Executive Director of the State Board, and at-large State Board members selected by the Chair.

*Special Committee on Business and Industry:* This committee focuses its efforts on addressing the Governor's priority for understanding and meeting the workforce needs of business and industry in order to prepare workers for 21<sup>st</sup> century jobs.

*Special Committee on Targeting Resources:* This committee identifies strategies that address the Governor's priority for targeting limited resources to areas where they can have the greatest economic impact

*Special Committee on Lifelong Learning:* This committee focuses on collaborating to improve California's educational system at all levels.

*Special Committee on Accountability in Workforce Investments:* This committee is dedicated to ensuring the accountability of public and private workforce investments.

3. *Describe the process your State used to identify your State Board members. How did you select board members, including business representatives, who have optimum policy-making authority and who represent diverse regions of the State as required under WIA? (20 Code of Federal Regulations (CFR) 661.200).*

The members of the State Board are appointed by the Governor in conformity with WIA Section 111(b), State Assembly Bill (AB) 925 (Statutes of 2002, Chapter 1088, Section 5) that requires a non-governmental person with a disability be seated, and SB 293, that requires 15 percent of the State Board be members representing organized labor and that a member of the CESP be seated. The members represent the many facets of workforce development – business, labor, public education, higher education, economic development, youth activities, and employment and training, as well as the State Legislature. Two of the Legislative members are appointed by the Senate President Pro Tem and the Speaker of the Assembly appoints the other two Legislative members.

Nominations for business and labor representatives are solicited from California's major business and labor associations, such as the California Manufacturers and Technology Association, the California Chamber of Commerce, and the American Federation of Labor and Congress of Industrial Organizations. The associations nominate individuals to represent their constituencies and are advised that the

Governor will take into consideration the individuals' policy-making authority and other geographic and demographic information. Their expert knowledge and experience ensures that the State Board takes a leadership role in recommending sound policies for California's workforce system. The State Board, through the LWDA, works closely with the Governor's Appointments Secretary to refill vacancies as they occur.

4. *Describe how the board's membership enables you to achieve your vision described above. (§§111(a-c) and 112(b)(1).)*

State Board representation complies with federal law, and is comprised of key workforce partners and stakeholders from both the public and private sectors in California. The business leadership on the State Board is integral to achieving a demand-driven workforce system that provides the strategic framework for workforce investment in California. These business leaders help the State Board and the system focus productively on the Governor's priorities for the system, such as identifying and serving industries with statewide labor shortages, as well as national priorities, such as a demand-driven system.

Public sector members represent key stakeholders in the system, including mandatory One-Stop partners and programs. They assist the State Board and the Governor in understanding the State and local administrative intricacies and complexities of coordinating such a diverse array of programs and services and serving such a diverse population of both citizens and industries. All State Board members, including those from the public sector, were recommended to the Governor for their individual leadership experience and abilities and because they represent the broad geographic, economic, political, and demographic diversity of the State. All members are leaders in their communities as well as in business and in government, and have vested themselves and their communities in continuously preparing California's workforce to support economic development and improve the quality of life for all Californians.

5. *Describe how the Board carries out its functions as required in sec. 111(d) and 20 CFR 661.205. Include functions the Board has assumed that are in addition to those required. Identify any functions required in sec. 111(d) the Board does not perform and explain why.*

The State Board is responsible for assisting the Governor in all functions outlined in WIA section 111(d). In 2006, the State Board was charged through SB 293 with functions, such as making recommendations to the Governor on WIA 15 Percent Discretionary fund investments, in addition to those required in federal law. The State Board carries out all of its functions through standing, special, and ad hoc committees which are generally chaired by State Board members and, in the case of the special and ad hoc committees, include both Local Board representatives and key stakeholders. The committees publicly deliberate policy issues and direct staff work in order to effectively carry out the State Board's functions. The products and policies developed are then presented to the full State Board for action.

Once the policies are adopted, the State Board works closely with the LWDA and the Employment Development Department (EDD) to implement policy and



distribute products. An electronic information system is used to publish products and to inform the public and stakeholders of policy recommendations. Information is also communicated to an extensive list of State and local stakeholders and interested parties via EDD information bulletins and directives.

6. *How will the State Board ensure that the public (including people with disabilities) has access to board meetings and information regarding State Board activities, including membership and meeting minutes? (20 CFR 661.205)*

The State Board deliberates WIA policy issues at open public meetings in conformance with California's Bagley-Keene Open Meeting Act. This Act sets forth the requirements for State agencies to conduct open meetings so that the public may remain informed.

The State Board utilizes its website at [www.calwia.org](http://www.calwia.org) to provide Board members and the public with direct access to information on a variety of workforce investment issues. The website, which is formatted to meet the needs of persons with disabilities, includes information on current State Board members, upcoming meetings and events, meeting notices, agenda packets, draft documents for public review and comment, special initiatives and projects, and other items of interest to the workforce community. A notification is sent electronically to list-serve subscribers informing them of upcoming meetings and meeting materials once they are posted on the website, and a hard copy notice is mailed to subscribers on the State Board's mailing list. Meeting minutes are also posted on the website once they are approved by the State Board.

In order to provide access to all people, including those with disabilities, the State Board provides the following accessibility in compliance with the Americans with Disabilities Act:

- Wheel chair accessibility is available at all State Board meetings;
- Upon notification, an interpreter for the hearing impaired can be provided at State Board meetings;
- TDD communication accessibility is available at all State Board meeting facilities; and
- Written materials used at State Board meetings are provided upon request in alternate formats such as Braille.

7. *Identify the circumstances, which constitute a conflict of interest for any State or local workforce investment board member or the entity that s/he represents, and any matter that would provide a financial benefit to that member or his or her immediate family. (§§111(f), 112(b)(13), and 117(g).)*

Members of the State Board are subject to a comprehensive body of state law governing conflict of interest (Gov. Code 81000-91014). Pursuant to State and federal law, the State Board has adopted and promulgated a Conflict of Interest Code. State Board members, including designees, are required to file a statement of economic interests with the California Fair Political Practices Commission and provide a copy to the State Board staff organization. The statements of economic

interests are governed by State law and indicate the specific kinds of financial information members of the State Board will have to disclose. State Board members are required to file their conflict of interest statements annually. Each Local Board is responsible for adopting their own Conflict of Interest code.

The specific kind of financial information State Board members must disclose is income (including investments, gifts, travel reimbursements, loans, etc.) received from sources that directly contract with the State Board and from similar firms that could contract with the Board. These sources include:

- Vendors who provide website development and maintenance;
- Consultants providing services related to youth development, information technology, or regional economies;
- Legal consulting services;
- Airline travel services;
- Credit card companies utilized for purchasing minor supplies or equipment;
- State agencies who provide equipment that allows the State Board access to the Internet and access to reporting systems for tracking State Board expenditures;
- Vendors who provide evaluation surveys/services; and  
State agencies that provide administrative services (personnel, fiscal, accounting, labor relations, contracts, and facilities).

8. *What resources does the State provide the board to carry out its functions, i.e. staff, funding, etc.?*

The Governor's WIA 15 Percent Discretionary funds are used to carry out State Board activities. These funds provide for 22 State civil service staff and include operating expenses such as facilities, travel, and meeting preparation costs. The staff organization plans, develops, and supports each State Board meeting, carries out recommendations as assigned from the State Board, and carries out action items following each State Board meeting. The Executive Director is an integral part of the State Board, contributing as a non-voting participant at State Board meetings and in Administration Committee meetings. The Executive Director has a leadership role in the preparation and planning for each State Board meeting, and also assists the Chair in appointing special committee chairs and vice chairs.

The staff organization supports the various committees, including the ad hoc committees or workgroups, which are normally comprised of State Board members and staff as well as staff from local and State partners and stakeholders. These committees require consensus-building discussions among program partners and form the basis for subsequent discussions and policy-related issues and resolutions that are forwarded to the State Board for consideration. The staff assigned to each of these committees is responsible for planning, organizing, and preparing for meetings. This includes researching issues and providing background material required by the members to engage in productive discussions of issues, and leading high-level policy discussions.

*C. Structure/Process for State agencies and State Board to collaborate and communicate with each other and with the local workforce investment system (§112(b)(8)(A).)*

- 1. Describe the steps the State will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A), at both the State and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and agencies eliminate any existing State-level barriers to coordination? (§§111(d)(2) and 112(b)(8)(A).)*

In a state as large and diverse as California, with a system as broad and loosely defined as the workforce system, achieving effective collaboration between the numerous workforce-related State agencies and departments and between the State and Local Boards, local government, and local partners is a continuous challenge. The barriers to effective collaboration that confront California's state and local governments and partners are historical and common throughout the nation. Numerous individual programs, for instance, have their own, dedicated funding streams and administrative and fiscal requirements. For some programs, the workforce-related components are relatively minor and their purposes and goals are focused elsewhere. Accountability and performance, and the systems that measure them, are focused elsewhere as well. Another barrier is the across-the-board reductions in budget that regularly occur.

These types of barriers to operational collaboration exist throughout government. As a result, the Governor and his administration are making a renewed effort to identify and address these barriers and to improve intergovernmental relations and the relations between the public and private sectors. These efforts are briefly discussed in Section I of the plan.

The efforts to improve operational collaboration within California's workforce system are ongoing. The State Board's process for revising the State Plan for years three and four of the five-year planning cycle is a model of collaboration that the board will continue to use to guide its activities over the next two years. The process is briefly discussed under "Plan Development Process." The State Board ensured maximum public, state, and local partner involvement in the planning process by establishing four special committees that have conducted the policy and planning activities leading to the included modifications through public forums. The State Board also conducted special partner meetings for the same purpose, as well as a full board meeting to receive and discuss commentary on the revised plan when it was in draft form.

The participation of the public and the workforce and business communities in these various forums provided support and guidance for the plan itself. The special committees also provided issues and strategies that the State Board is incorporating in its ongoing efforts to achieve the Governor's priorities for California's workforce system. By continuing this process over the next two years, as well as entering into a broader strategic planning process as required by SB 293, the LWDA, the State Board, the EDD, and all other public and private workforce partners will play increasingly collaborative roles in reducing administrative costs, eliminating duplication, sharing resources, leveraging

resources and partnership from the private sector, as well as expanding and improving the services that the workforce system provides to individuals and businesses.

The State Board, through its broad membership, will continue to encourage collaboration among both State and local public and private entities. This collaboration is further enhanced through the State Board's committee structure. Members of the State Board's committees include representatives from Local Workforce Investment Areas (Local Area) and/or Local Boards, business leaders, local and State partner entities, and key stakeholders that have a vested interest in workforce issues.

The State Board will also expand on current efforts to assist in improving operational collaboration among State entities. Using Governor's WIA 15 Percent Discretionary funds, for instance, the State Board negotiates contracts with key State partner agencies in the workforce system such as the CDE and the CCCCO. These joint agreements engage the educational system, including the Adult Education and Family Literacy Program, as active participants in State and local WIA systems development, program operations, and service delivery. Additionally, the State Board and the EDD, which serves as the State's administrative entity for both the WIA and Wagner-Peyser programs, are continuing to strengthen their operational collaboration. The State Board and the EDD both report to the LWDA, which is assisting in forging stronger partnerships among its various departments. This has resulted, among other things, in better coordination among the entities regarding policy and administrative roles, responsibilities, and protocols. The State Board focuses its attention on assisting the Governor with issue resolution and policy development, while the EDD focuses its efforts on implementing the Governor's policies and priorities.

2. *Describe the lines of communication established by the Governor to ensure open and effective sharing of information among the State agencies responsible for implementing the vision for the public workforce system between the State agencies and the State Workforce Investment Board.*

Open lines of communication are established through the representation of cabinet-level agency Secretaries on the State Board, including the Secretary of the LWDA, who is the Governor's designated State Board representative. The LWDA also provides a liaison that works closely with both the State Board and the EDD on workforce policy issues. Weekly meetings are scheduled among these entities to identify and discuss issues of mutual interest. The State Board and the EDD's Workforce Services Division (WSD) managers and staff meet regularly to coordinate issues and activities, and work in teams with State and local partner staff to address both policy and administrative issues. Both also participate in various, ongoing communication vehicles such as monthly meetings of the Local Area Administrators Advisory Group. The two major State-level educational entities, the CDE represented by the Superintendent, and the CCCCO represented by the Chancellor, also have seats on the State Board.

The State Board has restructured into one standing and four special committees. These committees include representatives from Local Areas and/or Local Boards,

and key State and local partners, stakeholders, and business representatives who assist in the continuous improvement of California's workforce investment system.

3. *Describe the lines of communication and mechanisms established by the Governor to ensure timely and effective sharing of information between the State agencies/State Board and local workforce investment areas and local Boards. Include types of regularly issued guidance and how Federal guidance is disseminated to local Boards and One-Stop Career Centers. (§112(b)(1).)*

Policies adopted by the State Board are deliberated in open public forums. Once these policies are recommended to and adopted by the Governor, they are distributed to an extensive list of stakeholders and interested parties, including State partners and Local Boards, via an electronic e-mail system, in the form of directives and information bulletins. This e-mail system is maintained by the EDD. Federal guidance that is issued and affects local program operations is also distributed via this electronic e-mail system. All directives are posted on the EDD website in draft form, with a 30-day public comment period before they become final.

The EDD's WSD also provides Regional Advisors who act as technical assistance liaisons with all 50 of California's Local Areas, as well as Project Managers who provide technical assistance to the variety of special projects funded through the Governor's WIA 15 Percent Discretionary funds. In addition, the WSD maintains both a Capacity Building Unit (CBU) that develops and provides WIA and One-Stop related training that often includes training on federal guidance, and a Local Policy Guidance Unit that develops guidance, including information bulletins and directives, on both State and federal policy. Finally, the EDD and the State Board maintain open lines of communication with Local Boards and Local Area Administrators through regularly scheduled meetings and conference calls.

4. *Describe any crosscutting organizations or bodies at the State level designed to guide and inform an integrated vision for serving youth in the State within the context of workforce investment, social services, juvenile justice, and education. Describe the membership of such bodies and the functions and responsibilities in establishing priorities and services for youth? How is the State promoting a collaborative cross-agency approach for both policy development and service delivery at the local level for youth? (§112(b)(18)(A).)*

The State Board's Special Committee on Lifelong Learning is chaired by the Chancellor of California's community colleges, and includes representatives of the State Board, Local Boards, the CDE, the business community, the California Secretary of Education, and organized labor. The committee is responsible for workforce policy related to lifelong learning and the blending of education with workforce and economic development. One of its responsibilities is to explore and address issues related to WIA youth programs and local youth councils.

The State Youth Vision Team (SYVT) was originally formed in December 2004 after the State attended initial regional forums of the "Shared Youth Vision Federal Collaborative Partnership." The State Board reconvened the SYVT during December 2006 as a vehicle under the committee to assist in implementing the

federal share youth vision. The purpose of the SYVT is to foster communication, coordination, and collaboration at state and local levels in support of those who serve youth most in need through WIA funded youth programs.

The SYVT anticipates meeting quarterly with some initial short term objectives focused on State apprenticeship efforts and will report through the committee. Current members include representatives from the DOL, the Job Corps, the State Building and Construction Trades Council, the California Conservation Corps, the CCCC, the EDD, the CDE, the California Board of Corrections, and the California Departments of Industrial Relations and Social Services.

Other crosscutting youth organizations with which the State Board Special Committee on Lifelong Learning collaborates:

- State Interagency Team for Children, Youth, and Families (SIT), under the California Department of Social Services (CDSS) provides leadership and guidance to facilitate full county implementation of improved systems that benefit communities and the common population of children, youth, and families. The SIT promotes shared responsibility and accountability for the welfare of children, youth, and families by ensuring that planning, funding, and policy are aligned across State departments.

Its main goals include: building community capacity to promote positive outcomes for vulnerable families and children; maximizing funds for shared populations, programs, and services; removing systemic and regulatory barriers; ensuring that policies, accountability systems, and planning are outcome-based; promoting practice that engages and builds on the strengths of families, youth, and children; and sharing information and data. SIT membership includes the California Departments of Social Services, Mental Health, Alcohol and Drug Programs, Health Services, Justice, Developmental Services, and Education; the EDD, the State Board, the California Welfare Directors Association, the Chief Probation Officers of California, The First 5 California Children and Families Commission, the Annie E. Casey Foundation, and the Judicial Council of California Center for Families, Children, and the Courts.

- The Foster Youth Employment, Training, and Housing Task Force is an interagency coalition responsible for developing collaborative strategies to promote the implementation of an initiative to register foster youth at One-Stop Career Centers. The Task Force has expanded its efforts to provide support for foster youth by promoting collaboration among agencies to provide transition services for foster youth. The task force is also participating in the *National Governors Association Policy Academy Team on Youth Transitioning Out of Foster Care*, which provides a unique opportunity for California to participate, as one of six states chosen nationwide, to work with national experts to help improve outcomes for youth in transition from foster care to adulthood. This initiative will continue through December 2007.

These youth taskforces and interagency teams, each of which has links to the State Board, are helping to reduce institutional, regulatory, and systemic barriers

for youth most in need. The State will continue to cultivate youth interagency taskforces and teams to consolidate and translate their work and analysis into the State's workforce development systems. The State Board also recognizes that it is crucial for Local Boards to identify and leverage existing resources and services, and will work with Local Boards to promote more cross-agency collaboration with local public service agencies, non-profit organizations, and the local business communities. To meet the demands of the labor market, Local Boards, social services agencies, school districts, and community- and faith-based organizations must all join forces to create comprehensive and appropriate service strategies that will lead to tangible pathways towards higher education and high-skill employment for youth.

**IV. Economic and Labor Market Analysis (§112(b)(4).): As a foundation for this strategic plan and to inform the strategic investments and strategies that flow from this plan, provide a detailed analysis of the State's economy, the labor pool, and the labor market context. Elements of the analysis should include the following:**

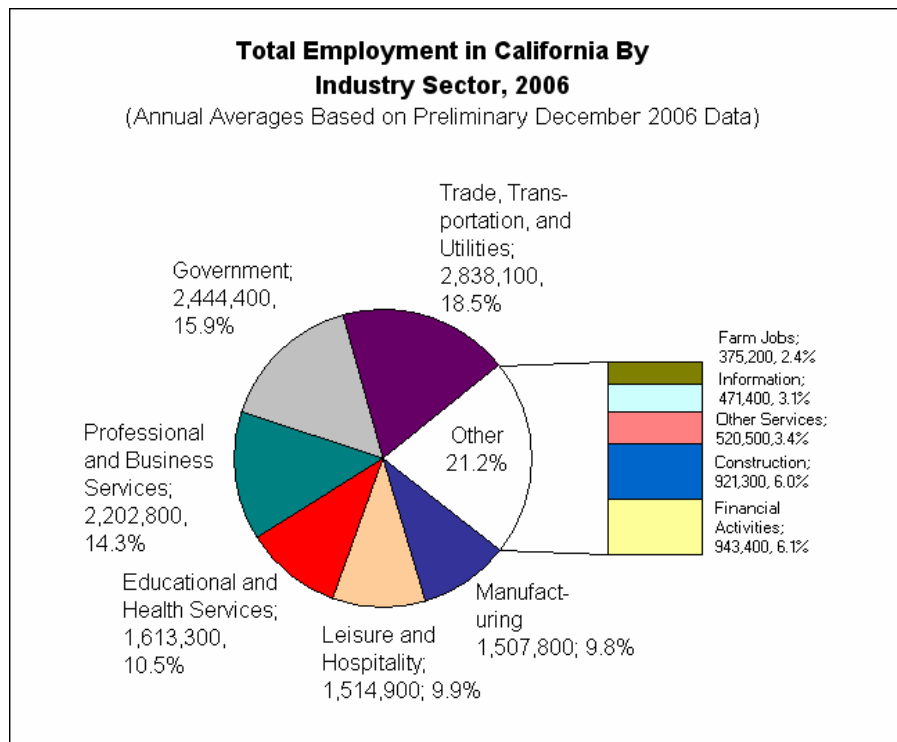
*A. What is the current makeup of the State's economic base by industry?*

Overview:

California has the largest labor market in the United States. Total employment in all California industries was 15,377,400 jobs in 2006.<sup>2</sup> Non-farm employment payrolls totaled 15,002,200 jobs, accounting for 11 percent of all non-farm jobs in the United States. There were 375,200 jobs in the farm sector, accounting for 2.4 percent of all California jobs. The following chart shows the industry sector breakdown for California's total employment in 2006. The trade, transportation, and utilities sector had the largest number of jobs (2,838,100 jobs), while the natural resources and mining sector had the fewest (24,300 jobs).

---

<sup>1</sup> The analysis in this section incorporates preliminary December 2006 data and does not reflect 2006 benchmark revisions.



The following industry sectors had employment exceeding 2 million jobs in 2006: trade, transportation, and utilities; government; and professional and business services. These industries accounted for 49 percent of the state's jobs. Three additional sectors – educational and health services, manufacturing, and leisure and hospitality – had 1.5 million jobs or more, and accounted for 30 percent of all California jobs. Six industry sectors, each with employment of less than one million jobs, accounted for the remainder of California jobs.

### Basic Industries:

The California Regional Economies Project (CREP) and the Center for the Continuing Study of the California Economy distinguish between economic base industries and population-serving industries.<sup>3</sup> Population-serving industries primarily serve local markets in the state and include industries such as retail trade, health care, food services, state and local government, construction, and finance. Population growth typically drives job growth in these industries. In contrast, economic base industries typically serve external markets. As a result, firms in economic base industries have more flexibility in deciding where to locate their operations or production facilities. A state or region's ability to attract and retain these firms largely determines how fast a state will grow relative to other states in the nation.

California's economic base is comprised of eight industries: professional, technical, scientific, and management services; diversified manufacturing; wholesale trade and transportation; tourism and entertainment; resource-based; high technology manufacturing; basic information services; and government (federal only). Table 1 shows the employment levels of these industries in 2006.

<sup>2</sup> The industries included in Statewide and regional economic base analyses vary. Economic base reports for nine California regions are available from the CREP website at: <http://www.labor.ca.gov/panel/espcrepindex.htm>.



**Table 1**

<b>Employment in California's Economic Base Industries, 2006</b> (Annual averages based on preliminary December 2006 data)			
	<b>Number of Jobs</b>	<b>Share of All Economic Base Industry Jobs (%)</b>	<b>Share of Total Employment (%)</b>
Total Employment	15,377,400	--	--
Population-serving Industries	9,648,400	--	62.7
Economic Base Industries	5,729,000	100.0	37.3
Professional, Technical, Scientific, and Management Services	1,655,100	28.9	10.8
Diversified Manufacturing	1,060,700	18.5	6.9
Wholesale Trade and Transportation	1,047,200	18.3	6.8
Tourism and Entertainment	573,800	10.0	3.7
Resource-Based	441,100	7.7	2.9
High Technology Manufacturing	434,900	7.6	2.8
Basic Information Services	261,100	4.6	1.7
Government	255,200	4.5	1.7

Employment in California's economic base industries totaled 5,756,800 jobs in 2006, accounting for 37.4 percent of the state's total employment. Professional, technical, scientific, and management services was the largest basic industry with 1,650,300 jobs, followed by wholesale trade and transportation (1,085,900 jobs), and diversified manufacturing (1,036,000 jobs). These industries accounted for two-thirds of the jobs in California's economic base, and for one-quarter of all jobs in California. Tourism and entertainment (including motion pictures and sound recording), resource-based industries (including farming), and high technology manufacturing accounted for slightly more than one-quarter of the jobs in California economic base industries, but only 10 percent of total employment.

*B. What industries and occupations are projected to grow and or decline in the short term and over the next decade?*

*Industry Projections:*

The EDD's Labor Market Information Division (LMID) prepares short-term (two-year) employment projections annually, as well as long-term (10-year) employment projections biennially, following the biennial production of the national employment projections. The most current available short-term projections cover 2005-07, and the most current available long-term projections cover the period 2004-2014.

California's industry projections dovetail consistently with the growing industries highlighted by the President's High Growth Job Training Initiative (see Table 2) – advanced manufacturing, automotive, biotechnology, construction, geo-spatial, health care, hospitality, information technology, retail, energy, financial services and transportation. In turn, the CREP's focus industries mirror many of the President's

target industries. California highlights two broad industry clusters – the Manufacturing Value Chain and Health Science and Services, as well as a large and diverse set of industries characteristic of California’s rural areas.

**Table 2**

<b>California’s High-Growth Industries</b>	
<b>High-Growth Job Training Initiative Industries</b>	<b>CREP Focus Industries</b>
Advanced Manufacturing	Manufacturing Value Chain
Automotive	
Biotechnology	Health Science and Services
Construction	Residential infrastructure
Geo-spatial	
Health Care	Health Science and Services
Hospitality	Community Infrastructure
Information Technology	
Retail	Specialty food, beverages and retail
Energy	Community infrastructure
Financial Services	
Transportation	Manufacturing-Logistics

Note that the CREP “Manufacturing Value Chain” is paired with both the President’s manufacturing and transportation industries. The Value Chain includes three components: design, production, and logistics. While manufacturing production has been declining in California (and the nation) since the aerospace cuts in the 1980’s and 1990’s, and the trend has been to ship production activities to lower-cost areas in the country and the world, California’s talent and innovation support a strong design component for the industry. In addition, the global marketplace requires a strong logistics support industry to ship and track manufactured parts and completed products throughout the world.

California’s short-term non-farm industry projections estimated an annual growth rate of about 1.3 percent in 2005-07, resulting in about 400,000 new jobs by the end of 2007. Most of the growth in new jobs is forecast to occur in the industry sectors of professional and business services, health care and social assistance, retail trade, government, and accommodation and food services. Attachment D, *California Short-Term Industry Projections 2005-07, Industry Sector Growth* graphically demonstrates the distribution of new jobs across industries.

Nearly 30 percent of the job growth over the two-year period is forecast in professional and business services. Most of the firms in this sector provide professional, scientific, and technical services, or administrative and support services to other businesses. This sub-sector includes many of the support functions that maintain the day-to-day operations of businesses across all industries and includes a wide range of other activities such as temporary help agencies, office support, landscaping and janitorial services, call centers, and telemarketing. Another 26 percent of job growth is split

between the government and accommodation and food services sectors. Fourteen percent of the job growth is forecast to occur in the retail trade sector.

Along with producing the most new jobs, the professional and business services sectors are also growing at the fastest rate, over 2.5 percent annually. Wholesale trade and arts, entertainment and recreation are both growing at the next fastest rate of nearly two percent annually. Industries projected to decline in the short-term include construction, apparel manufacturing, transportation equipment manufacturing, machinery manufacturing, and food manufacturing.

Consistent with the short-term trends, over 90 percent of the industries projected to grow over the next decade are in the service-producing industries. These include administrative and support services; health care services; retail trade; accommodation and food services; and professional, scientific, and technical services. In addition, construction, which is classified as a goods producing industry, is expected to generate almost 163,000 new jobs by 2014. Attachment E, *California Long-Term Industry Projections 2004-2014, Industry Sector Growth* shows the long-term distribution of new jobs across industries.

Employment services (a component of professional and business services) is at the top of the list with a projected growth rate of almost 49 percent. Other long-term top growth industries include software publishers with a growth rate of 39 percent; computer systems design with a projected growth rate of nearly 44 percent; and management, scientific, and technical consulting services projected to grow over 46 percent. Growing health-related industries include community care facilities for the elderly, offices of health practitioners, home health care services, outpatient care centers, and psychiatric and substance abuse hospitals. Growth rates for these industry sub-sectors range from 32 percent for psychiatric and substance abuse hospitals to 49 percent for home health care services.

Other top growth industries over the next decade include construction-related industries – building finishing contractors; building equipment contractors; residential building construction; foundation, construction and building exterior contractors; and other specialty trade contractors. In support of the construction-related industries, other growing areas include building material and supplies dealers and activities related to real estate. Growth rates are as high as 26 percent for other specialty trade contractors.

Industries forecast to decline in the long term are similar to those forecast to decline in the short term: apparel manufacturing tops the list, with other manufacturing production business sectors also forecast to decline – plastics products, converted paper products, machinery manufacturing, printing and related support activities, apparel knitting mills, and petroleum and coal products.

#### Occupational Projections:

As noted in the Industry Projections section above, California's short-term occupational projections forecast nearly 400,000 new jobs through the end of 2007. In addition, it is estimated that almost 830,000 job opportunities will be created as people vacate their jobs due to retirement, career change, or other personal reasons. Of the

new jobs, the 50 largest growing occupations will create over 60 percent of the State's job growth. Of these top-growing occupations, nearly 128,000 new jobs will require only short-term on-the-job training (OJT), 30 days or less, and pay a median hourly wage range of \$8.03 to \$12.21. These include occupations in the retail trade and accommodation and food service industries. Retail salespersons, landscaping workers, teacher's assistants, food prep workers, janitors, and waiters are at the top of the list. Attachment F, *California Short-Term Occupational Projections 2005-07, Ten Largest Growing Occupations* graphically displays the top ten occupations. Attachment G, *California Short-Term Occupational Projections 2005-07, Employment Growth by Education and Training Level* graphically demonstrates that the preponderance of new jobs requires limited training.

New jobs requiring one to 12 months OJT include nearly 30,000 new jobs with a median hourly wage range of \$13.34 to \$24.59. Occupations in this category can be found in the health care services; professional, scientific, and technical services; electronic markets and agents/brokers, colleges and universities, local government, general freight, trucking administrative and support services and finance and insurance industries. Customer service representatives, sales representatives, and medical assistants are among the top growth occupations requiring this moderate-term training level.

At the professional level, over 32,000 new jobs will require a bachelor's degree and have a median hourly wage range of \$27.11 to \$44.28. This category includes occupations in the professional, scientific and technical services industry. Software engineers, and accountants and auditors are among the top growth occupations at this training level. Growth in the need for registered nurses (RN) accounts for over 10,000 new jobs. An RN with the required Associate of Arts degree earns a median \$33.85 per hour.

The majority of the fastest growing occupations are expected to grow at a minimum rate of 2.5 percent annually. Fast growing occupations concentrated in the Health Care Service industry have median hourly wages ranging from \$9.12 to \$39.72. Computer-related occupations found in the Professional, Scientific, and Technical Services industry have a median hourly range of \$21.98 to \$54.31. These occupations typically require a bachelor's degree.

Long-term occupational projections are consistent with short-term trends. (See Attachment H, *California Long-Term Occupational Projections 2004-2014, Ten Largest Growing Occupations* and Attachment I, *California Long-Term Occupational Projections 2004-2014, Employment Growth by Education and Training Level*.) California's 50 largest growing occupations are forecast to generate nearly 3.2 million total job openings, with almost 1.4 million new jobs, and 1.8 million additional job opportunities due to separations (vacancies left when individuals retire, change careers, or leave for personal reasons). Long-term, RNs are expected to gain about 109,000 jobs, including 60,900 new jobs and another 48,200 openings due to separations. Sales representatives, wholesale and manufacturing, and truck drivers are also expected to have large growth as well as a high number of separations. Like the short-term projections, top growth occupations long-term include retail sales, combined food preparation, laborers, waiters and waitresses, customer service representatives, office clerks, general managers, janitors, and security guards. Also at

the top of the large growth list are teacher assistants, and elementary and secondary teachers.

Some occupations that show lower job growth will still provide many job opportunities because of the large number of separations. Examples of large growth occupations with separations exceeding their growth are cashiers; executive secretaries and administrative assistants; counter attendants; and bookkeeping, accounting, and auditing clerks.

California's fastest growing occupations, over the long term, are concentrated in health care, education, and computer-related fields. Computer-related occupations are expected to grow, on average, at least four percent annually. Job opportunities for teachers are expected to grow at an average annual rate of three percent per year.

*C. In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? In what numbers?*

The U.S. Bureau of Labor Statistics (BLS) facilitates occupational analysis as it classifies occupations in three ways:

- By an occupational code (the Standard Occupational Code) – The occupational code links an occupation with other similar occupations;
- By the industry (the North American Industry Classification System code) – The industry code points to the industry or industries that employ workers in the occupation; and
- By the education/training level typically required for each occupation (one of eleven levels).

These eleven training levels allow for general comparisons of occupational skill requirements across occupations and industries. This analysis uses occupational growth trends for the occupations with higher training levels as a proxy for a demand for skilled workers. The eleven training levels, from most- to least-skilled, are:

- First professional degree,
- Doctoral degree,
- Master's degree,
- Bachelor's degree or higher plus work experience,
- Bachelor's degree,
- Associate degree,
- Post-secondary vocational training,
- Work experience in a related occupation,
- Long-term OJT (12 months or more),
- Moderate-term OJT (one to 12 months), and
- Short-term OJT (one month or less).

Selecting a training level to serve as the bottom-most proxy for skilled workers is a judgment call; California proposes to define the skilled floor at the "long-term OJT" level. This brings in skilled crafts and trades workers such as carpenters and

plumbers who often serve an apprenticeship, as well as law enforcement personnel who attend extensive peace officer standards training. Each of these occupations is among the top occupations projected to grow over the next decade at this level.

Attachment J, *Comparison of Growing Occupations in California, Base Year 2004 to Projected Year 2014*, provides a detailed listing of the projected top 100 growing occupations assorted by training level, across industries, including forecast numerical growth and growth rate. (The chart provides approximately 50 each of the largest and fastest growth occupations.) As noted in Section IV B, for the most part, occupations projected to grow in the next decade are in demand today and in the immediate future. Of these, the top ten largest-growth skilled occupations in California are forecast to account for growth of approximately 349,200 new jobs in the next decade. Two of these occupations require long-term OJT, and most of the remainder requires a bachelor's degree. Table 3 lists these top-growth skilled occupations.

**Table 3**

<b>TOP-GROWTH SKILLED OCCUPATIONS</b>		
<b>Occupational Title</b>	<b>Growth 2004-14</b>	<b>Education/Training Level</b>
Registered Nurses	60,900	Associate Degree
Elementary School Teachers	44,400	Bachelor's Degree
General and Operations Managers	44,400	Bachelor's Degree plus Work Experience
Carpenters	41,300	Long Term OJT
Computer Software Engineers (Applications)	39,200	Bachelor's Degree
Accountants and Auditors	29,500	Bachelor's Degree
Secondary School Teachers	24,800	Bachelor's Degree
Computer Software Engineers, Systems Software	23, 400	Bachelor's Degree

Computer Systems Analysts

17,400

Bachelor's Degree

Source: Labor Market Information Division  
Projections of Employment 2004-2014

A more detailed analysis of the top occupations by training level, as presented in the comparison chart (Attachment J), follows:

*Work experience in a related occupation:* The largest growth occupations at this level are first line supervisors/managers, broken out by the industry in which they work, such as retail Sales, food preparation, construction trades, or office and administrative. Construction and building inspectors and self enrichment teachers join first-line supervisors/managers on the list of fastest growing occupations at this level.

*Post-secondary vocational training:* Top-growth occupations at this level are automotive service technicians and mechanics (automotive industry); preschool teachers (education); licensed practical nurses and licensed vocational nurses (LVN) (health care); fitness trainers and aerobics instructors (amusement); and real estate sales agents (real estate). The fastest growth occupations at this level also include gaming dealers (amusement); vocational education teachers, postsecondary, (education); emergency medical technicians and surgical technologists (health care).

*Associate degree:* Occupations in the health care industry, RNs and dental hygienists, dominate the list of largest growth occupations at this level. Computer support specialists, paralegals and legal assistants, and electrical and electronic engineering technicians round out the list of the largest growth occupations. Four of the five fastest growing occupations are in the health care or health science industry—dental hygienists, veterinary technologists and technicians, RNs, and medical records and health information technicians. Paralegal and legal assistants round out the list of fastest growing occupations requiring an Associate degree.

*Bachelor's degree:* Occupations in the education and information technology industries dominate both the largest and fastest growth occupations requiring a bachelor's degree. Elementary school and secondary school teachers are among the top five largest growth occupations, along with computer software engineers, applications, and systems software; and accountants and auditors. All of the fastest growing occupations are in information technology – network systems and data communications analysts; computer software engineers, applications and systems software; network and computer systems administrators, and database administrators. The health care and educational industries are also represented in the top ten fastest growing occupations, with the addition of physicians' assistants and special education teachers.

*Bachelor's degree or higher plus work experience:* Based upon the top five occupations, this tends to be a "management" level, which spans a variety of

industries. The top five largest growth occupations at this level include general and operations managers, management analysts, financial managers, sales managers, and computer and information systems managers. The top five fastest growth occupations overlap this largest growth list, with computer and information systems managers, and sales managers on the list. Agents and business managers of artists, performers and athletes; compensation and benefits managers; and producers and directors complete the fastest growing occupations at this level.

Master's degree: The top largest growth occupation at this level is market research analyst. The remaining top four largest growth occupations requiring a master's degree are professional occupations in the health care or educational industry – educational, vocational, and school counselors; physical therapists; instructional coordinators; and mental health counselors. The fastest growth occupations requiring this educational level are also in the health care and educational industries. The top five fastest growth occupations are health specialties teachers, postsecondary; art, drama, and music teachers, postsecondary; physical therapists; substance abuse and behavioral disorder counselors; and instructional coordinators.

Doctoral degree: The three occupations with the largest and fastest growth requiring a doctoral degree are medical scientists, except epidemiologists (health sciences); clinical counseling and school psychologists (education); and computer and information scientists, research (information technology).

First professional degree: At this level, most of the same occupations appear in both the largest and fastest growth list. Lawyers, pharmacists, dentists, family and general practitioners, and chiropractors are the top growing occupations at this skill level. Four of these five occupations are in the health care industry. Lawyers are employed across industries. The fastest growing occupations include pharmacists, chiropractors, family and general practitioners, lawyers, and surgeons. Again these occupations are found predominately in the health care industry.

*D. What jobs/occupations are most critical to the State's economy?*

This is a challenging question, particularly for a State as large and diverse as California. Each job has an intrinsic value in the State's network. Even declining occupations and industries, as presented in Section IV B, continue to add value. For this analysis, then, we again take our guidance from the President's High Growth Job Training Initiative, and the industry focus of the CREP, and presume that top occupations in these industries are the most critical (see Table 2 "High-Growth Training Initiative Industries" in Section IV B).

The CREP monograph *Creating a Workforce Transition System in California* notes the need for a connection between workforce and economic development, and the need to address both the "population serving" sectors like health care, construction, and education, as well as sectors with potential for future rapid growth. These growth sectors can be unique to the geographic region, based upon the composition of local businesses, the nature and talents of the local workforce, and the synergy between business, education, and workforce preparation.



### Automotive

The automotive industry is “population serving” – as the population grows, the number of vehicles increases, as does the demand for sales and service. Large occupations in the automotive industry include auto service technicians and mechanics, cleaners of vehicles and equipment, auto body repairers, truck drivers, tire repairers and changers, painters of transportation equipment, and bus and truck mechanics, as well as support staff such as retail and parts salespersons and cashiers.

### Biotechnology

California has the nation’s largest biotechnology employer base, with approximately 400 biotechnology companies. The LMID completed a study of California’s biotechnology industry in 2004 and determined that it encompasses seven major areas of research and production: agricultural products, biomedical devices, environmental management, food processing, human and veterinary medicines, instrumentation, and pharmaceutical manufacturing. Further findings indicate that occupations in California’s biotechnology industry span seven major categories: research and development, clinical research, manufacturing and production, regulatory affairs, quality systems, information systems, and marketing and sales.

Top growth occupations include bioinformatics specialists, an emerging occupation encompassing the skills of computer software engineers and database administrators; sales representatives; medical scientists; veterinary technologists and technicians; biological technicians; and veterinary assistants and laboratory animal caretakers.

### Construction

As noted by the CREP, “Construction is population serving.” Growth is driven by a growing population’s demand for homes and infrastructure. Top occupations in California’s construction industry include carpenters, construction laborers, dry wall and ceiling tile installers, electricians, painters, plumbers, and first-line supervisors/managers of construction trades.

### Energy

Energy is a key element of California’s and the nation’s economies, and without energy we cannot light, heat, or air-condition our homes and businesses, or propel our vehicles. However, California’s employment projections for energy-related occupations in the period 2004-2014 indicate slow or no growth.

### Financial Services

Financial services is another “population serving” sector. In fact, the services are offered across a wide range of industries. Top occupations in this industry include customer service representatives; tellers; insurance sales agents; claim adjusters; loan officers; securities, commodities, and financial services sales agents; and insurance claims and policy processing clerks.

### Geospatial

Geospatial is emerging from established industries that use geospatial technologies or require geospatial competencies, and fast becoming an industry of its own. The President’s High Growth Job Training Initiative describes the industry as “including cartographers, photogrammetrists, surveyors, civil drafters, electrical drafters, mechanical drafters, and technicians in aerospace engineering, civil engineering,

electrical engineering, environmental engineering, industrial engineering, mechanical engineering, surveying, mapping, soil conservationists, range managers, foresters, geological data technicians, and geological sample test technicians. Other occupations listed by the American Society for Photogrammetry and Remote Sensing include geographers, physical scientists, computer scientists, geographical information systems analysts, database administrators, and remote sensing scientists.”

California is home to the Environmental Systems Research Institute, the California Space Authority, defense and commercial aerospace companies, world-renowned oceanic research centers, and other businesses with geospatial functions providing a significant base for this industry. In California, the occupations identified by the DOL’s Employment and Training Administration (ETA) as “geospatial technology-related” are expected to grow much faster than average between 2004 and 2014, adding nearly 100,000 new jobs across all industries. Employment projections note the largest demand will be for computer software engineers, both systems software and applications; database administrators; electrical and electronic engineering technicians; industrial, mechanical, electrical, environmental, and aerospace engineers; industrial engineering technicians, and civil engineering technicians.

### Health Care

Health care is the ultimate “population serving” industry, reflecting the demands of a growing and aging population, both in California and across the nation. California is facing a nursing shortage that is expected to widen over the next two decades, along with a growing demand for other health caregivers. A recent study by the LMID examined the skills need and demand for 48 health care occupations that provide direct care, administrative support, and operations support for the industry. The same study examined the skills relationships and career ladder potential between five direct care occupations: home health aide, nursing aide, medical assistant, LVN, and RN. Each of these occupations is critical to California’s future. Top occupations in California’s health care industry include RN, nursing aides, LVNs, physicians and surgeons, home health aides, and medical assistants. Other top occupations in the industry include pharmacists, dental assistants, and dental hygienists.

### Hospitality

Hospitality encompasses both accommodation and food services. Top occupations in California’s hospitality industry include food preparation workers, waiters and waitresses, restaurant cooks, first-line supervisors/managers of food preparation and serving workers, counter attendants, maids and housekeeping cleaners, dishwashers, and food service managers. As the BLS notes, “the diverse range of activities offered by this industry provides excellent job opportunities for people with varied skills and educational backgrounds. Jobs will be plentiful for first-time job seekers, senior citizens, and those seeking part-time or alternative work schedules.”

### Information Technology (IT)

The Information Technology Association of America notes that, nationally, “92 percent of all IT workers work in non-information technology companies, 80 percent of which are in small companies outside the IT industry.” California, with its dominance in the IT sector, registers a higher percentage of IT workers in IT companies, but the concept is consistent. Technology tools and the staff who use them are ubiquitous across all industries. In California, the number of workers in twelve high-growth IT occupations is

expected to grow by approximately 150,000 between 2004 and 2014. Nearly two thirds of these new jobs will be for computer software engineers (both applications and systems software), computer systems analysts, and computer support specialists. Other high-growth IT occupations are network systems and data communications analysts and administrators, computer and information systems managers, computer specialists such as those who direct computer labs, database administrators, computer hardware engineers, and computer programmers.

### Manufacturing

The CREP notes that although California's overall manufacturing employment has declined in the last two decades due to cutbacks in the Department of Defense spending, cost reductions through outsourcing, and more recently the bursting of the "high tech bubble," a more careful examination of the component parts of the industry demonstrates that California is showing strong growth in the design and logistics components. The greatest growth expected for manufacturing jobs in California between 2004 and 2014 will be for production workers, production helpers, and assemblers, with nearly half of these new jobs hired through temporary help agencies rather than directly by the manufacturing industry. The top 20 high-growth occupations in the manufacturing industry are expected to add about 63,000 new jobs in the ten-year period. Among professional occupations, computer software engineers are expected to see the largest growth, with nearly 7,000 new jobs expected in the industry. Other growth occupations include first-line supervisors of production and operating workers, sales representatives, and machinists. Also important to the design component of the industry are industrial engineers and engineering managers, with over 4,000 new jobs projected for the industry during the period.

### Retail

Retail trade is another example of the large "population serving" industries identified by the CREP. Self-operated checkout counters aside, the demands of a large and growing population will guarantee continued work opportunities, particularly in the largest occupations, such as cashiers, retail salespersons, and counter and rental clerks. Top growth occupations in California include these occupations as well as first-line supervisors/managers of retail sales workers, automotive service technicians and mechanics, and general and operations managers. While placement of auto service personnel may seem odd in this context, it is the largest occupation in retail trade, reflecting large mega-stores that have an automotive component.

### Transportation

Transportation is a key function for California's manufacturing industry, as noted by the CREP – the logistics of getting raw materials to production centers, as well as getting parts and manufactured products tracked and distributed to global marketplaces, are essential to a successful manufacturing industry. In addition, the broader transportation infrastructure that supports the business of moving people and materials is equally key. Top occupations in California's transportation industry include truck drivers (both heavy and light); bus drivers (both school and transit); industrial truck and tractor operators; general operations managers; customer service representatives; bus and truck mechanics; diesel engine specialists; laborers and freight, stock, and material movers, hand.

*E. What are the skill needs for the available, critical and projected jobs?*

The analysis in Section IV.D. identifies top occupations in the High-Growth Job Training Initiative industries in California. This section examines the typical skill requirements for these occupations, and highlights the shared skills required. At the end of this section is a summary of common skill requirements across industries that serve as a foundation for the later analysis of skills gaps. Attachment K, *Top Skills Required in California Industries*, lists the top skills in each industry. The skills identified for each industry are from the Occupational Information Network (O\*NET) skills database. More extensive definitions of each of the skills are available from that source.

*Automotive*

Most California employment in the automotive industry relates to selling and maintaining automobiles rather than manufacturing them. Industries that support California automobiles are motor vehicle and parts dealers, gasoline stations, and repair and maintenance facilities. The top 20 largest growth occupations in the automotive industry will grow by 18.7 percent (more than 50,000 jobs) between 2004 and 2014. The occupations vary considerably in preparation required by individuals seeking to enter them.

Of the 20 largest growth occupations in the automotive industry, seven require only short to medium OJT: retail salespersons; cashiers; cleaners of vehicles and equipment; office clerks, general; counter and rental clerks; helpers—installation, maintenance, and repair workers; and truck drivers, light and delivery services. Five of the largest growth occupations require either postsecondary vocational training or a bachelor's degree: automotive service technicians and mechanics; bus and truck mechanics, diesel engine specialists; sales managers; cost estimators; and general and operations managers.

The automotive industry has initiated efforts to standardize competencies and training for the mechanical occupations. The top skills used in the automotive industry's 20 top growth occupations are:

- Active learning,
- Active listening,
- Coordination,
- Critical thinking,
- Instructing,
- Judgment and decision making,
- Reading comprehension,
- Social perceptiveness,
- Speaking,
- Time management, and
- Troubleshooting.

*Biotechnology*

Biotechnology represents a bright area for job growth and employment possibilities in the near future. Rapid innovation coupled with scientific research means that

important discoveries are being made routinely in California's biotech laboratories. Employment in the top 20 high-growth occupations in the industry will grow from a base of over 697,000 in 2004 to over 868,000 in 2014. Workers in this field can work under many different job titles and in many industries.

Occupations in the industry adding the most employees between 2004 and 2014 include bioinformatics specialists (includes computer software engineers, applications, up 24,700 jobs); sales representatives, wholesale and manufacturing, except technical and scientific products, up 16,700 jobs; accountants and auditors, up 15,200 jobs; and computer software engineers, systems software, up 14,500 jobs. Other occupations adding significant numbers of employees include general and operations managers, management analysts, customer service representatives, lawyers, executive secretaries and administrative assistants, computer systems analysts, and computer support specialists. Educational requirements range from a high school diploma to a doctoral degree. The top skills these occupations share include:

- Active learning,
- Active listening,
- Coordination,
- Critical thinking,
- Judgment and decision making,
- Monitoring,
- Reading comprehension,
- Social perceptiveness,
- Speaking,
- Time management, and
- Writing.

### Construction

Projections of employment in California for the top 20 construction occupations with the largest growth indicate a gain of more than 119,000 jobs from 2004 through 2014. The top ten of these occupations account for more than 76 percent of this growth. Carpenters; first-line supervisors/managers of construction trades and extraction workers; electricians; plumbers, pipe fitters and steamfitters; construction laborers; and cement masons and concrete finishers; and painters, construction and maintenance are some of the occupations with the most projected growth.

Educational requirements vary among the construction occupations. Many do not even require a high school diploma. Others, such as various supervisors and managers, require a bachelor's degree. Required skills for these jobs can be wide-ranging and, in some instances high-level, such as:

- Coordination,
- Critical thinking,
- Judgment and decision making,
- Reading comprehension,
- Speaking, and
- Time management.

Over 31 percent of the construction jobs in the top growth occupations (construction laborers; cement masons and concrete finishers; painters – construction and maintenance; and dry wall and ceiling tile installers) require skills encompassing:

- Active learning,
- Active listening,
- Equipment selection,
- Installation, and
- Mathematics.

### Financial Services

Financial services workers are employed in occupations that cut across a wide range of industries. In California, employment in the 20 largest growth financial services occupations is expected to increase by more than 62,000 workers between 2004 and 2014. These occupations include customer service representatives; tellers; insurance sales agents; claim adjusters, examiners, and investigators; loan officers; securities, commodities, and financial services sales agents; and insurance claims and policy processing clerks. Financial managers, financial analysts, and personal financial advisors will also experience growth during this time.

Educational requirements vary widely among the financial services occupations with the largest employment. Financial managers, financial analysts, and eight other occupations require a bachelor's degree. Customer service representatives, tellers, insurance claims and policy processing clerks and five other occupations require various levels of OJT. Financial jobs require workers to have high skill levels in:

- Active learning,
- Active listening,
- Critical thinking,
- Judgment and decision making,
- Mathematics,
- Reading comprehension,
- Service orientation,
- Speaking,
- Time management, and
- Writing.

### Geospatial

Geospatial workers are employed in occupations that are used across a wide range of other industries. These include computer software engineers, systems software and applications; database administrators; electrical and electronic engineering technicians; industrial, electrical, mechanical, environmental, and aerospace engineers; industrial engineering technicians, and civil engineering technicians. Of the 21 high-growth occupations identified as geospatial, more than half require a bachelor's degree or higher, with the bulk of the remaining occupations needing associate degrees or post-secondary vocational education. Geospatial occupations require many of the same basic skills:

- Active learning,
- Active listening,
- Complex problem solving,
- Coordination,
- Critical thinking,
- Judgment and decision making,
- Mathematics,
- Reading comprehension,
- Speaking, and
- Time management.

Additionally, the technical skills most important in the Geospatial sector are:

- Troubleshooting,
- Equipment selection, and
- Technology design.

### Health Care

In California, employment in the top 20 high-growth occupations in the health care industry is expected to increase by more than 194,000 between 2004 and 2014. The projected demand and largest growth in health care careers will be for RNs; nursing aides; orderlies, and attendants; home health aides; medical assistants; and dental assistants. Employment in these top five occupations is expected to grow by 124,000 workers. Educational requirements vary widely among the health care occupations. RNs require a bachelor's or associate degree. Nursing aides and home health aides may require a high school diploma or General Equivalency Diploma (GED) certificate and vocational or job-related course work to obtain State certification. Health Care occupations require workers to have high skill levels in:

- Active learning,
- Active listening,
- Critical thinking,
- Instructing,
- Learning strategies,
- Reading comprehension,
- Social perceptiveness,
- Speaking,
- Time management, and
- Writing.

### Hospitality Industry (Accommodation and Food Services)

The top 20 high-growth occupations in the hospitality industry are expected to grow by more than 201,000 between 2004 and 2014. The largest growth occupations in the hospitality industry are: waiters and waitresses, combined food preparation and serving workers, food preparation workers, fast food cooks, and restaurant cooks. These top five occupations are expected to grow by 118,000 workers. The many part-time, low-wage, and low-skilled occupations in the hospitality industry drive high

turnover creating additional employment opportunities. Employers are challenged to continuously recruit employees with the skills most essential to the largest growth hospitality industry occupations. The top ten skills are:

- Active listening,
- Coordination,
- Critical thinking,
- Instructing,
- Mathematics,
- Reading comprehension,
- Service orientation,
- Social perceptiveness,
- Speaking, and
- Time management.

Communication is a core skill needed by hospitality industry workers. Employers report that English-speaking applicants are particularly difficult to find.

#### Information Technology

As noted in Section IV.D, the Information Technology Association of America states that 92 percent of IT workers are now employed in industries outside of IT. Most of the twelve high-growth IT occupations identified require a bachelor's degree or higher – only computer support specialists and related specialists such as those who work in computer labs require an associate degree. One emerging professional occupation within this field is computer and information research scientists, which require a doctorate degree. Information technology jobs require workers to have high levels of basic skills that will allow them to quickly acquire and use new information. These skills include:

- Active learning,
- Active listening,
- Complex problem solving,
- Critical thinking, and
- Reading comprehension.

Other important skills shared by IT workers in high-demand occupations include:

- Judgment and decision making,
- Time management, and
- Troubleshooting.

#### Manufacturing

Of the 20 manufacturing occupations with the largest expected employment growth, over half require less than an associate degree, with most requiring on-the-job training or work experience. Forty percent of the high-growth occupations require a bachelor's degree or higher, and one requires an associate degree. Regardless of training level, all of these identified occupations share essential skill requirements:



- Active learning,
- Active listening,
- Critical thinking,
- Mathematics,
- Reading comprehension,
- Speaking, and
- Time management.

Professional workers in the manufacturing industry also require additional core skills such as:

- Judgment and decision making, and
- Complex problem solving.

Technician and production workers in the manufacturing industry share discrete skill requirements such as:

- Equipment maintenance,
- Equipment selection, and
- Monitoring.

### Retail

Employment of the top 20 high-growth occupations in California's retail trade industry is expected to grow by more than 221,000 between 2004 and 2014. The projected demand in retail careers will be for retail salespersons; cashiers; first-line supervisors/managers of retail sales workers; automotive service technicians and mechanics; and packers and packagers, hand. These five occupations alone account for an increase of approximately 162,000 workers (73 percent of the top 20 high-growth occupations). Educational requirements vary widely among the retail occupations. Some retail manager positions require a bachelor's degree. Automotive service technicians and mechanics may require specialized, vocational, or apprenticeship training for certification. Retail salespersons and cashiering jobs generally require a high school diploma or GED certificate. Retail occupations are very diverse and require workers with high skill levels in:

- Active learning,
- Active listening,
- Critical thinking,
- Instructing,
- Mathematics,
- Reading comprehension,
- Service orientation,
- Social perceptiveness,
- Speaking, and
- Time management.

### Transportation

Employment in California for the 20 transportation occupations with the largest growth is forecast to gain over 50,000 workers from 2004 through 2014. The top ten of these occupations will account for more than 40,000 workers. Four of these occupations – truck drivers, heavy and tractor-trailer; truck drivers, light or delivery services; laborers and freight, stock, and material movers, hand; and industrial truck and tractor operators – will be responsible for an increase of about 29,000 workers. The occupations with the most growth during the projections period also include shipping, receiving, and traffic Clerks; general and operations managers; aircraft mechanics and service technicians; packers and packagers, hand; customer service representatives; and bus and truck mechanics and diesel engine specialists.

Educational requirements vary among these transportation occupations. General and operations managers and airline pilots; copilots; and flight Engineers require a bachelor's degree. Truck drivers, light or delivery services; industrial and tractor operators; bus drivers, school; and 10 other occupations require various levels of OJT. Required skills for these jobs can be wide-ranging and, in some instances, mid-to high-level, such as:

- Active listening,
- Coordination,
- Critical thinking,
- Reading comprehension,
- Social perceptiveness,
- Speaking, and
- Time management.

### Overall Skills Needs

Despite the range of jobs identified in each industry, and the range of skills needed for the differing jobs, it is interesting to note that certain skills are commonly required across industries. They are listed below, along with the O\*NET definitions of these skills:

- *Active listening* – Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.
- *Coordination* – Adjusting actions in relation to others' actions.
- *Critical thinking* – Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions, or approaches to problems.
- *Judgment and decision-making* – Considering the relative costs and benefits of potential actions to choose the most appropriate one.
- *Mathematics* – Using mathematics to solve problems.
- *Reading comprehension* – Understanding written sentences and paragraphs in work-related documents.
- *Speaking* – Talking to others to convey information effectively (in most instances, the ability to communicate in English is explicitly stated or inferred).
- *Time management* – Managing one's own time and the time of others.

More broadly, the full range of skills required across industries is consistent with the still applicable workplace competencies and foundation skills identified in 1992 by the Secretary's Commission on Achieving Necessary Skills (SCANS) report, *Learning a Living: A Blueprint for High Performance; A SCANS Report for America 2000*. The SCANS Report identifies five workplace competencies and three basic foundation skills and personal qualities that are needed for job performance. They are detailed in Table 4 below.

Table 4

SCANS WORKPLACE KNOW-HOW
<p><b>Workplace Competencies</b></p> <p>Effective workers can productively use:</p> <ul style="list-style-type: none"> <li>• <b>Resources</b>—They know how to allocate time, money, materials, space, and staff.</li> <li>• <b>Interpersonal skills</b>—They can work on teams, teach others, serve customers, lead, negotiate and work well with people from culturally diverse backgrounds.</li> <li>• <b>Information</b>—They can acquire and evaluate data, organize and maintain files, interpret and communicate, and use computers to process information.</li> <li>• <b>Systems</b>—They understand social, organizational, and technological systems; they can monitor and correct performance and they can design or improve systems.</li> <li>• <b>Technology</b>—They can select equipment and tools, apply technology to specific tasks, and maintain and troubleshoot equipment.</li> </ul> <p><b>Foundation Skills</b></p> <p>Competent workers in the high-performance workplace need:</p> <ul style="list-style-type: none"> <li>• <b>Basic Skills</b>—reading, writing, arithmetic and mathematics, speaking and listening.</li> <li>• <b>Thinking Skills</b>—the ability to learn, to reason, to think creatively, to make decisions, and to solve problems.</li> <li>• <b>Personal Qualities</b>—individual responsibility, self-esteem and self-management, sociability and integrity.</li> </ul>

The skills and skill needs of the workforce identified by the SCANS report were validated recently, and found “sorely lacking.” A detailed survey of 431 human resources officials conducted in April and May 2006 by the Conference Board examined both academic and more advanced “applied” skills. The survey was to examine employers’ views on the readiness of new entrants to the US workforce, including recently hired high school graduates, two-year colleges or technical schools, and four-year colleges. Nearly three-quarters of survey participants (70 percent) cited deficiencies among incoming high school graduates in “applied” skills, such as professionalism and work ethic, defined as “demonstrating personal accountability, effective work habits, e.g. punctuality, working productively with others, time and workload management.”<sup>4</sup>

*F. What are the current and projected demographics of the available labor pool (including the incumbent workforce) both now and over the next decade?*

California is the nation’s most populous state, with the California Department of Finance estimating 37.4 million state residents as of July 1, 2006. California no longer has one ethnic group comprising a majority of its population. The 2000 census reported that 47 percent of residents were white, 33 percent Hispanic, 11 percent

<sup>4</sup> [http://www.conference-board.org/utilities/pressDetail.cfm?press\\_ID=2971](http://www.conference-board.org/utilities/pressDetail.cfm?press_ID=2971)

Asian, and 6.5 percent black. Not surprisingly, California also has the nation's largest labor force and working-age population. In 2006, the EDD reported a working-age population (civilian, non-institutional, persons age 16 years and over) of 27.3 million, of which 17.8 million were in the labor force – 16.9 million employed and 0.9 million unemployed. This translates into a labor force participation rate of just over 65 percent.

*Age, Ethnicity, and Educational Characteristics of the California Labor Pool:*

The demographic composition of California's labor pool differs in two main respects from the nation as a whole. First, it is slightly younger and second, it has a substantially larger percentage of Hispanics. These two differences are projected to continue into the next decade. California also has a highly skilled labor force, but one that contains a large number of foreign born and non-English speaking residents. For instance, in 2006, one-third of California workers were foreign born, and one-tenth of all California workers lived in households where all adults spoke only Spanish.

*Age*

In December 2006, 37.3 percent of the California labor force was 34 years old or younger, compared to 36.3 percent for the entire nation. Conversely, 37.7 percent of the California labor force was 45 years of age and older, compared to 40.1 percent for the nation. However, while slightly younger, California's labor force will still experience the national phenomena of an aging labor force. California's working-age population is projected to grow by 3.9 million; from approximately 29.3 million in 2007 to 33.2 million in 2017 (see Table 5). Only 116,000 of this 3.9 million increase (or 3 percent) is from people aged 16-24, while over 2.7 million of the 3.9 million (or 70 percent) is from people aged 55 years and older. Labor force participation rates are generally highest in the 25-54 years age category, usually around 80 percent, whereas the rates are much lower for the youngest and oldest workers, around 40 percent for those ages 16-24 and 30 percent for those 55 years and older.

*Ethnicity*

California has a highly diverse population and labor force, especially compared to the nation as a whole. For example, Hispanics comprised 32.5 percent of the California labor force in December 2006, compared to 13.5 percent for the nation. Broken out by the most prevalent ethnicity and race, the California labor force was 45.4 percent white, 32.5 percent Hispanic, 12.4 percent Asian, and 6.0 percent black. For the nation, it was 68.3 percent white, 13.5 percent Hispanic, 11.4 percent black, and 4.4 percent Asian. In 2017, the projected California working-aged population will have an even greater representation of Hispanic persons, with 38.3 percent projected to be Hispanic, slightly more than the 38.0 percent figure for Whites. The Asian working-aged population will be 13.3 percent and the Black population 6.7 percent (see Table 5).

**Table 5**

<b>DEMOGRAPHICS OF CALIFORNIA LABOR POOL WORKING-AGE POPULATION (AGE 16 &amp; OVER) 2007 AND 2017</b>				
<b>Demographic</b>	<b>Number of Persons-2007</b>	<b>Percentage of Persons</b>	<b>Number of Persons-2017</b>	<b>Percentage of Persons</b>

<i>Ethnicity/Race</i>				
White	13,138,222	44.8%	12,616,423	38.0%
Hispanic	9,801,623	33.5%	12,728,444	38.3%
Asian	3,576,503	12.2%	4,425,559	13.3%
Black	1,931,970	6.6%	2,221,883	6.7%
All Others	851,564	2.9%	1,238,289	3.7%
Total	29,299,882	100%	33,230,548	100%
<i>Age</i>				
16-24	5,080,980	17.3%	5,194,554	15.6%
25-54	16,262,610	55.5%	17,345,105	52.2%
55 and older	7,956,292	27.2%	10,690,889	32.2%
Total	29,299,882	100%	33,230,548	100%

SOURCE: California Department of Finance. Percentages do not always equal 100 percent because of rounding.

### Education

The California labor force is highly skilled. In 2006, two-fifths (40.5 percent) of employed Californians had a college degree, over three quarters (77.3 percent) of whom had a bachelor's degree or higher. On the other hand, there were a large number of California adults with little education (16 percent of workers 25 to 54 years had not received a high school diploma or GED). The employment opportunities of many adults are also limited by poor English skills. One-third of California workers were foreign born in 2006. One-tenth of California workers in 2006 lived in a household where all adults spoke only Spanish.

### Implications/Issues:

A number of implications or issues arise when examining California's available labor pool both now and over the next decade. These relate both to age and ethnicity. While California will likely have a younger labor pool than other states in the next decade, it will still have to deal with an aging labor force, and the challenges that it can produce. More specifically, how does California replace aging workers? Some possible answers are to: 1) ask or provide incentives for older workers to work longer, 2) target training of younger workers to industries especially threatened by an aging labor force, 3) encourage more immigration from other states, and 4) mobilize and develop underemployed or undereducated Californians to replace the aging workforce.

Regarding ethnicity, California's diverse population presents both challenges and opportunities. Its diverse population reflects the fact that many people throughout the world see California as a "land of opportunity," one that welcomes outsiders and offers them chances to succeed that are difficult to match elsewhere. Therefore, California starts out with a natural recruitment advantage that can be tapped if needed. On the other hand, there are challenges that a diverse labor force uniquely presents. For example, foreign immigrants often lack English-language skills, which can initially limit their opportunities. Moreover, they sometimes have difficulties adapting to American culture.

What steps does the State need to take to address these challenges? Two easy to suggest, but not always easy to implement, answers are to: 1) offer more English-as-

a-Second Language courses, and 2) develop and employ managers, supervisors, and trainers who are culturally attuned or sensitive to their diverse labor force.

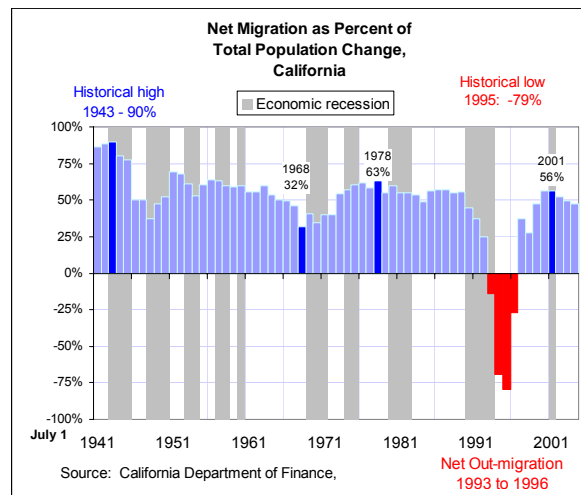
G. *Is the State experiencing any “in migration” or “out migration” of workers that impact the labor pool?*

Yes, the State experiences migrant flows that impact the labor pool. From 1975 to 2004, net migration (in-migration less out-migration) exceeded 200,000 persons per year in 23 out of the 30 years. Net migration accounted for more than half of the State’s population growth in 17 of the 30 years and for at least a quarter of the total change in 26 of these 30. However, net migration slowed to around 145,000 in both 2005 and 2006. The large number of migrants and their demographic and skill characteristics affect labor market conditions and pose challenges to employment and training programs.

Historically, net in-migration has contributed to half of the State’s labor force growth.

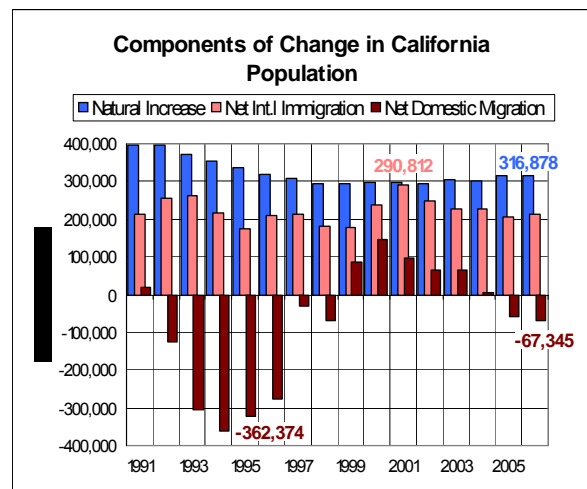
Net in-migration (in-migration less out-migration) has been an engine of California labor force growth since the settlers and gold miners of the 1800s.

As recently as 2003 (July 1, 2002 to July 1, 2003) net in-migration contributed 293,000 new California residents. This was 49 percent of the total population change of 597,000. This estimate includes all legal and unauthorized foreign immigrants, residents who left the State to live abroad, and the balance of people moving to and from California within the United States. However, California’s rate of net in-migration has slowed in recent years due to domestic out-migration from the State. In 2006 (July 1, 2005 to July 1, 2006), net in-migration contributed 145,600 new California residents. This was 31 percent of the total population change of 462,500.



Net migration<sup>5</sup> accounted for the majority of California population increases throughout its history. The above graph depicts State population change from 1941 to 2004. Net migration was the majority source of population change in 42 of these 64 years.

Traditionally, international and domestic net migrations to the State have been positive, with international net migration the larger of the two. However, domestic net migration, which varies more year-by-year according to economic conditions, turned negative in recent years.



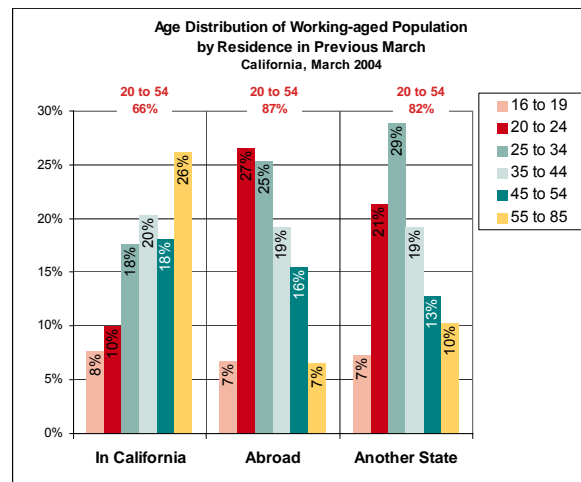
<sup>4</sup> As opposed to natural increase, births less deaths.

From July 2005 to July 2006, net immigration, the sum of movements between California, other states, and foreign countries, contributed 145,600 persons, or 31 percent of the overall population growth. Whereas net immigration from abroad contributed 212,900 new Californians, domestic net out-migration totaled 67,300.

As the chart above illustrates, net international immigration has been relatively stable, hovering around 200,000 persons in most years since 1991. In contrast, domestic migration has varied considerably, from a net out-migration of 362,400 to net in-migration of 146,000. The seven years of domestic net out-migration from 1992 through 1998 were during and following the 1990-93 recession. That recession was more severe and protracted in California than any other state in the nation. California's high costs of living, and more particularly, its high housing costs, were a key contributing factor to the domestic out-migration in 2005 and 2006.

Compared to the existing population, migrants are more likely to be in the ages of high labor force participation.

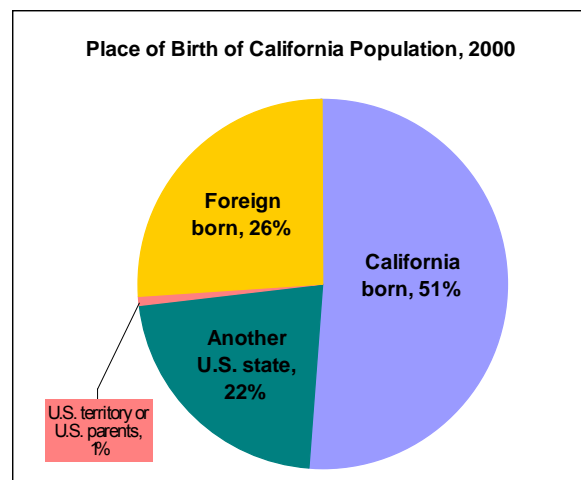
In March 2004, over one-quarter of Californians who lived here in the preceding year were 55 years and older – an age when labor force participation is very low. Just two-thirds of this population was ages 20 to 54 years. On the other hand, 87 percent of Californians who moved from abroad were ages 20 to 54 years. This age group made up a similarly large share of Californians who had moved from another state in the last year.



The younger age distribution suggests migrants have somewhat higher labor force participation rates than the resident population. The data from 2004 bear this out. Domestic migrants, in particular, have a participation rate of 75 percent, ten percentage points higher than the rate among residents. Hence, without making exact tabulations, we conclude net in-migration is likely to have contributed at least half of the state's labor force growth in recent years.

As a result of high annual in-migration, almost half of the California population was born outside the state.

Migration is a flow concept. The cumulative affect of the large numbers of migrants is seen in data relating to the entire population – a stock concept. As the chart at right illustrates, as of the 2000 Census, 22 percent of California residents had been born in another state and 26 percent had been born abroad.



California is a diverse state where the in-migration and out-migration of the labor force varies from area to area.

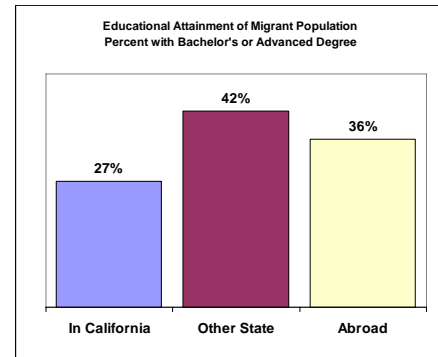


Fifty-six of California's 58 counties experienced population growth from 2005 to 2006. International in-migration contributed to population growth in 57 of 58 counties. However, 21 of California's 58 counties experienced net domestic out-migration. By and large, these were coastal, highly urban counties where high housing costs are pushing workers to live elsewhere. Many of these workers are settling in interior regions of California where housing costs are cheaper. Each of the counties in the Central Valley and Inland Empire experienced net domestic in-migration in 2006. Because of differences in local area labor markets, it will be necessary for Local Boards to address the needs of their migrant populations individually.

*Demographic characteristics of persons moving to California affect labor markets and pose a special challenge for State training programs.*

For education and training programs, it is important to know the education, skills, and work experience brought by in-migrants. Generally, in-migrants tend to be better educated than those who were California residents in the previous year. Facility with English by language group is shown in the table. It indicates that persons speaking Spanish and those speaking Asian/Pacific Islander languages have higher proportions of their groups with little or no English language skills.

Language spoken	Percent of population	Percent of group who speak English not well or not at all
English only	61%	--
Spanish	26%	31%
Indo-European languages	4%	13%
Asian/Pacific Island Language	9%	24%
Other languages	1%	11%



*H. Based on an analysis of both the projected demand for skills and the available and projected labor pool, what skill gaps is the State experiencing today and what skill gaps are projected over the next decade?*

*Introduction:*

As noted in Section IV. B., the LMID prepares short-term (two-year) industry and occupational employment projections annually, as well as long-term (ten-year) employment projections biennially, following the biennial production of the national employment projections. The most current available short-term projections cover the period 2005-07, and the most current available long-term projections cover the period 2004-2014.

In addition, the LMID has been evaluating new analytical tools to supplement these employment projections to better enable the State to identify both current and projected skills gaps. These new tools will be described in this section, and examples of how they can be used will be provided.

It is important to state, though, that there is no proven methodology for projecting skills gaps ten years ahead. Even documenting existing skills gaps is not as easy as it may appear. While there are often reports of shortages of workers in certain industries,

much of this information is anecdotal. Moreover, the reasons why a labor shortage may exist are rarely clear. Is it:

- A lack of qualified workers?
- An unwillingness of employers to pay a high enough wage to attract workers? or
- Working conditions so demanding that almost no wage would be high enough to attract sufficient workers?

Also, there should be a distinction drawn between the terms “skills gap” and “skills shortage.” Sometimes “skills gap” refers to skill deficiencies of employees working within a firm, whereas a “skills shortage” means a shortage of suitably skilled people available in the labor market. Because the questions being asked in this section appear to pertain to a shortage of skilled workers in the labor market, the term “skills shortage” will be used in the following discussion.

Finally, it should be noted that, while any analysis of skills shortages at the State level is important for general planning purposes, similar analyses at the local and regional levels is of equal importance. This is particularly true in an economy and labor market as large and diverse as California’s. Consequently, this analysis is intended to serve as an evolving approach to identifying current and future skills shortages that should assist State- and local-level planners in the information it presents, and local-level planners in continuing with their own analyses.

#### *Current and Projected Skills Shortages:*

Summarizing the findings from the projections data presented in Sections IV. B. and C., the fastest growing occupations over the long-term are concentrated in health care, construction, education, and computer-related fields, and include occupations such as RNs, computer support specialists, truck drivers, and elementary and secondary school teachers.

What remains to be discussed is how successful California has been in filling these jobs currently, and how successful it will be in filling these jobs over the next decade. In answering these questions, the LMID is utilizing three analytical tools to help pinpoint skills shortages both currently and in the years ahead. One of these tools involves an analysis of worker earnings, another taps education and training completion data to compare the current supply of new workers with the current demand for workers, and a third relies on employer-reported labor shortages.

These three analytical tools use additional data sources to evaluate possible skills shortages and can be briefly identified as:

- Wage Change Indicator,
- Completers Data, and
- Employer Reported Shortages.

#### *1. Wage Change as an Indicator of Labor Supply*

Economists studying labor supply and demand issues have searched for methods that could help identify industries that may have experienced labor (or skills) shortages. One new method looks at available data on employment, unemployment rates, and wages to assess the existence of or potential for shortages in a particular labor market. For example, strong growth in employment in a particular industry or occupation over time is likely to reflect a rise in demand for workers requiring a specific level of education and/or experience. Similarly, low unemployment rates and rapidly rising “relative” wages may imply that the demand for workers in that industry or occupation exceeds the supply and that the labor market may experience a labor shortage.

Following this line of thinking, the LMID investigated whether the longitudinal patterns revealed by employment and annual earnings at the industry level could be used as an indicator of a persistent labor shortage and whether the responsiveness of the labor market to such a shortage could be studied. The economic premise underlying this research is that labor shortages are ultimately reflected in relatively high wage increases.

Based on the difference between employment levels and wages paid by employers in a sub-industry compared to the industry overall, the LMID constructed a supply indicator (SI) to predict potential labor shortages.<sup>6</sup> Table 6 below lists the top 20 industries picked by the SI to experience a likely labor shortage. The five industries bolded in the table are also among the industries projected to have the fastest employment growth between 2004-2014, suggesting that the SI may be a useful tool in identifying potential labor shortages.

**Table 6**

<b>TOP 20 INDUSTRIES PREDICTED BY SUPPLY INDICATOR TO EXPERIENCE LIKELY LABOR SHORTAGES</b>
Computer and Peripheral Equipment Manufacturing
Semiconductor and Other Electronic Component Manufacturing
Other Electrical Equipment and Component Manufacturing
Software Publishers
Wireless Telecommunications Carriers (except Satellite)
Pharmaceutical and Medicine Manufacturing
Health and Personal Care Stores
Traveler Accommodation
Electronics and Appliance Stores
<b>Full-Service Restaurants</b>
<b>Employment Services</b>
Securities and Commodity Contracts Intermediation and Brokerage
Industrial Machinery Manufacturing
Electronic Shopping and Mail-Order Houses
Electrical and Electronic Goods Merchant Wholesalers

<sup>6</sup> See the LMID Working Paper, “Nominal Wage Change: An Indicator of Labor Supply,” September 2005, at [http://www.labormarketinfo.edd.ca.gov/admin/uploadedPublications/588\\_NominalWageChange.pdf](http://www.labormarketinfo.edd.ca.gov/admin/uploadedPublications/588_NominalWageChange.pdf).

<b>Computer Systems Design and Related Services</b>
Support Activities for Crop Production
<b>Nursing Care Facilities</b>
<b>Investigation and Security Services</b>
Commercial and Service Industry Machinery Manufacturing

## 2. Completers Data as a Skills Shortage Tool

Another new tool that the LMID has been researching as an indicator of skills shortages is program completer's data developed by Georgia State University under a now-expired contract with the DOL as part of the National Occupational Supply-Demand Consortium project. The Consortium has developed a web site that provides tables, by occupation, of program completers by program of study and training, and by degree level. These "supply" figures are collected from the National Center for Educational Statistics. On the same site are tables of "demand" figures collected from the DOL on: 1) occupational characteristics, 2) occupational projections, 3) wage trends, and 4) occupational employment by the top five industries.

One clear value of this tool is that it allows for a quick comparison of current levels of program completers with both current and projected occupational demand for a wide array of occupations. Moreover, the tool offers both national and statewide figures. The Consortium's website can be found at: <http://www.occsupplydemand.org>. Using RNs in California as an example, the web site reports that almost 8,000 individuals completed RN in California in 2003-04, well short of the 10,910 average annual openings for RNs as estimated by the DOL in 2004 (see Table 7).

While the Consortium work holds promise in creating an easily accessible tool that can provide a quick snapshot of current supply and demand numbers, there are a number of limitations that must be recognized. First, of course, is that the numbers must be reasonably accurate. The Consortium's data may contain gaps and inaccuracies and should be compared to other supply sources when available. For example, the 8,000 RN program completers that the Consortium cites in Table 7 are much higher than the approximately 6,100 graduates from RN programs that the California Board of Registered Nursing released for California in 2003-04.

Second, even if the program completion numbers are accurate, knowing how to use them for comparative purposes requires careful thought. For instance, using state numbers alone may not make sense for certain occupations, especially for jobs that require a four-year college degree and beyond. Some analysts believe that there is a national and international market for occupations requiring a four-year degree – that these graduates are much more willing and able to travel from their current home to take a job. This may also be true for some occupations requiring less than a four-year degree. For example, the California Board of Registered Nurses reported that in 2002-03, 50 percent of RN licenses issued in California were to individuals educated in another state, and another 15 percent were issued to those educated internationally. Therefore, one may need to look

beyond state numbers to compare a state's supply-demand figures for a given occupation.

Finally, while reliable program completion figures could be helpful in examining the current supply-demand (or skills shortages) situation, it has limited value in assessing the situation ten years ahead. Even a carefully interpreted analysis of accurate completion figures can only suggest that there may or may not be a shortage today, and possibly in the future if the completion figures do not change. However, there is no established method to project program completion figures ten years from now as is done for occupational openings.

### 3. *Employer Reported Shortages*

Besides exploring the use of the SI and the Consortium's *experimental* website as new tools for measuring skills shortages, the LMID continues to examine existing tools that shed light on current shortages. For example, for around 15 years, the LMID and local partners surveyed employers to collect occupational information for occupations chosen by the Local Areas as important to their areas. The local partner then produced an area occupational report that presented a wide array of occupational information including: wages and benefits, work activities, education and training needed, annual job openings, and demand for and availability of qualified workers.<sup>7</sup> In gathering information for the last item, employers were asked two questions:

- How difficult is it to find experienced and qualified applicants?
- How difficult is it to find inexperienced but qualified applicants?

The results of these "difficulty in recruiting qualified applicants" questions present additional anecdotal information and are especially valuable because of their sub-state or local coverage. When used with other skills shortage indicators, this employer provided information could be a useful analytical tool.

#### *Identifying Skills Shortages:*

Using the analytical tools discussed above, the LMID analyzed the high-growth occupations identified in Section IV. B. (where program completer's data and employer-reported shortages data are available), to try and identify occupations that probably are experiencing current shortages and may experience shortages over the coming decade.

The results in the Table 7 below suggest that California may well be experiencing current shortages for most of the occupations listed. Only four of the occupations – heating, air conditioning, and refrigeration technicians; general and operations managers; medical assistants; and police and sheriff's patrol officers – show more program completers than average annual openings. However, even these four had a majority of employers reporting difficulty in recruiting such workers. In addition, a

---

<sup>6</sup> Because of budget cutbacks, this information is still being collected, but LMID alone administers the surveys, selects a limited number of occupations surveyed, with advice from local workforce training providers and others, and presents the results on its web site.

majority of employers reported recruiting difficulties for 11 of the 14 occupations where employer data were available. Finally, five of the 15 occupations – computer software engineers; dental hygienists; home health aides; medical assistants; and RNs – are prominent occupations in three of the top 20 industries predicted by the SI to experience likely labor shortages (see Table 6 above).

The evidence presented in the table, even noting the limitations of the program completers and recruiting qualified workers data, suggests that California is experiencing a current shortage of workers in most of these 15 occupations. In addition, until the program completion numbers increase or employers take other steps to recruit more qualified workers, it is possible that shortages will continue over the next decade if projected growth estimates prove accurate.

Not included in this analysis are the general skills, often referred to as soft and basic skills that are required across industries and across occupations. These skills shortages, as identified commonly by employers, are addressed in the analysis in Section IV. E. of this plan and summarized within the table on SCANS skills, and reference to the Conference Board's recent survey of human resources officials.

**Table 7**

<b>POTENTIAL SHORTAGES IN CALIFORNIA FOR SELECTED OCCUPATIONS</b>				
<b>Occupation</b>	<b>Program Completers (2003-04)</b>	<b>Average Annual Openings (2004- 2014)</b>	<b>Projected 2004- 2014 Growth</b>	<b>Employers Reporting Somewhat &amp; Much Difficulty in Recruiting Workers (2001-03)*</b>
Accountants and Auditors	4,312	5,330	Average	44% (7)
Automotive Mechanics	3,254	3,790	Faster than average	76% (9)
Carpenters	44	7,310	Faster than average	60% (7)
Computer Software Engineers, Applications & Systems Software	1,665	7,600	Much faster than average	N/A

**Table 7 continued**

<b>Occupation</b>	<b>Program Completers (2003-04)</b>	<b>Average Annual Openings (2004-2014)</b>	<b>Projected 2004-2014 Growth</b>	<b>Employers Reporting Somewhat &amp; Much Difficulty in Recruiting Workers (2001-03)*</b>
Dental Hygienists	434	830	Much faster than average	74% (7)
Elementary School Teachers	1,532	8,300	Average	31% (7)
Heating, Air Conditioning, and Refrigeration Mechanics and Install.	1,032	470	Much faster than average	72% (6)
Home Health Aides	83	1,970	Much faster than average	50% (7)
General and Operations Managers	33,900	8,590	Average	70% (4)
Medical Assistants	13,590	2,760	Much faster than average	52% (8)
Office Clerks, General	318	13,420	Average	31% (7)
Police and Sheriff's Patrol Officers	5,490	3,170	Faster than average	56% (9)**
Registered Nurses	7,959	10,910	Faster than average	81% (8)
Secondary School Teachers	1,839	5,550	Faster than average	49% (6)
Truck Drivers, Heavy and Tractor-Trailer	667	5,180	Faster than average	66% (7)

\*Annual average percentage answering "difficulty in finding qualified but inexperienced applicants" question in the years 2001-2003. Number in parenthesis is the annual average number of local regions providing data. A local region can be a county, multiple counties, or a Local Area.

**\*\*Number of local regions is for calendar year 2003 only.**

**Conclusion:**

While California has a good idea of what jobs are apt to grow over the next decade, the tools available to predict whether there will be enough qualified workers to fill those jobs are currently limited. By exploring new analytical tools, such as program completion numbers, and by taking a fresh look at existing sources of information, such as employer-reported difficulties in finding qualified workers, California hopes to develop a more systematic approach for recognizing both current and future skills shortages. New sources of information include the DOL ETA websites for the WIRED initiatives and information at <http://www.doleta.gov> and <http://www.workforce3one.org>.

Given the available tools, it appears that California is not training enough homegrown residents currently to fill such jobs as RNs, carpenters, elementary school teachers, and truck drivers. Whether current statewide shortages exist in those occupations is less certain. The example of RNs licensed in California in 2001, most of whom were educated outside the State, demonstrates that qualified workers are willing to come and employers are willing to recruit beyond our borders for certain occupations. Thus, California must be cautious in making definitive statements about skills shortages today, and especially cautious about making them a decade from now.

*I. Based on an analysis of the economy and the labor market, what workforce development issues has the State identified?*

California has the nation's largest labor force and thus has a myriad of issues that the workforce system must address to ensure that employers have a highly-skilled, highly-trained workforce. While some of these issues were identified through an analysis of the economy and labor market, others were identified through the State Plan process. These include critical workforce issues that Local Boards have identified.

The economic data suggest that three of the top ten largest-growth skilled occupations in California require long-term OJT and most of the remainder require a bachelor's degree. At the same time, the data suggest that fewer students are graduating from high school and moving on to colleges. Issues for the system to address include:

- Is there sufficient funding in the system to address training needs? This question can be directly tied to a much broader question of what efforts need to be undertaken to better understand expenditures, whether administrative or programmatic, to ensure that resources are being utilized effectively.
- How can career technical education be expanded to ensure that California's youth, particularly youth most in need, are prepared for the workplace and succeed in their academic and career goals?
- What career pathways are available for workers to transition to higher paying jobs and how are these pathways linked to lifelong learning?
- What additional efforts are required to build stronger partnerships among workforce development providers, given that resources are shrinking? How can California better connect students to employers?



The demographic data outline the increasing number of immigrants in California. Many of these immigrants are limited-English speaking. Issues for the system to address include:

- What workplace competencies, including workplace literacy skills, can be developed to ensure that workers possess the skills that businesses need to succeed?
- How can the system better integrate with education and training partners, as well as business and industry, to address literacy barriers?

California's size, diversity, and complexity require that the State must continue to invest in a locally driven workforce system. The local systems must reflect the needs of both the State and the local communities they serve. Systems issues include:

- How can the State ensure that One-Stop partners are contributing appropriately to the local One-Stop systems? How can the One-Stop system better serve special populations such as youth, farm workers, and individuals with disabilities? How can the local One-Stop systems partner more effectively and efficiently with the broad array of public and private workforce and workforce-related programs?
- How can the State better coordinate program activities such as performance measurement and monitoring in an effort to maximize resources?
- How can Local Boards and One-Stop Operators better meet the needs of their business communities? Currently, the type and intensity of business services varies among Local Areas. Is there a need to standardize business services?
- What waivers should the State pursue to more effectively manage the workforce system, given limited administrative resources?

*J. What workforce development issues has the State prioritized as being most critical to its economic health and growth?*

The issues contained in the previous section continue to be of equal importance and are being addressed by the workforce system in order to achieve economic health and growth. These issues were present when the State Plan for the first two years of the current five-year planning cycle was developed and, although the State Board has made significant progress in addressing them, they remain relevant today. While the administrative issues are being addressed through the EDD and LWDA with input from local partners, policy issues will continue to be addressed by the State Board through its committee structure and through the new SB 293 strategic planning process.

## **V. Overarching State Strategies**

*A. Identify how the State will use WIA Title I funds to leverage other Federal, State, local, and private resources in order to maximize the effectiveness of such resources and to expand the participation of business, employees, and individuals in the Statewide workforce investment system? (§112(b)(10).)*

Advances in technology and globalization are making the U.S. economy more knowledge-based and innovation-driven, which presents challenges to employers and workers. To address these challenges, the President's High Growth Job Training Initiative, funded with WIA funds, uses a sector strategy approach to direct Local

Boards in becoming market-driven, responsive to economic needs, and providing workers with training and career pathways that lead to high-wage high-growth jobs.

California's LWDA and State Board have embraced this regional collaborative/sector strategy approach in developing policies and priorities for the Governor's WIA 15 Percent Discretionary funds. According to a CREP report, *Creating a Workforce Transition System in California*, the State lacks an economic and workforce investment strategy that focuses on regional strengths and opportunities and connects state and local efforts for maximum impact. To address this challenge, the LWDA has invested WIA dollars in several regional collaboratives that have been successful in targeting high growth/high wage sectors, leveraging other public/private funding, addressing employer identified skills gaps, and assisting individuals in securing career path employment.

For example, the Bay Area Workforce Funding Collaborative received \$1.4 million in WIA funds to launch a regional collaborative sector initiative that leveraged an additional \$2 million in philanthropic and private funds. Close to 800 low income and disadvantaged adults and youth received education, training, job placement and support services that lead to careers in the healthcare and life sciences industries. Those placed in jobs received increases in wages ranging from a 50 to a 100 percent increase.

Another example is the Los Angeles Energy Career Pathway project that brings together four major employers in the petrochemical industry, community colleges, and local workforce agencies. In addition to targeted dislocated workers, this collaborative created opportunities for disadvantaged youth and adults to access career pathways into the petrochemical industry. Entry level jobs start at \$15.00 per hour with a career path to potential earnings of \$70,000 annually. The WIA funds of \$1.2 million were leveraged with an additional \$600,000 from employers and other local government agencies. In January 2007, 31 individuals completed training and 28 have been placed in jobs. The remaining three individuals are currently interviewing with employers.

The two examples above, demonstrate the following benefits that regional collaboratives can bring to the workforce system and the State.

- Leverages scarce resources;
- Ensures that skills training matches skills needed by the local industry by bringing together employers, education, and workforce development;
- Addresses common workforce problems for multiple employers in a region; and
- Provides all segments of the population with career paths to high-growth/high-wage industries and opportunity for self sustaining wages, benefits, and prospects for advancement.

The LWDA and the State Board are aggressively seeking other opportunities to leverage resources from State agencies and departments and from the federal government, as well as from the private sector. The California Governor's Committee for the Employment of People with Disabilities (Governor's Committee), for instance, has developed and implemented strategies, including significant resource

development, for expanding access to One-Stop services for people with disabilities. Among its activities has been the implementation of a disability navigator program, as well as training and technical assistance to One-Stop staff in disability access, both of which are funded in part through federal grants.

Local Boards are increasing their efforts to leverage both public and private resources within their local workforce systems, as well. An example of local coordination and leveraging is the Manufacturing Skills Project in Southern California. Several Southern California Local Boards are collaborating with the CDE and the San Bernardino Community College district to implement a pilot project to conduct certified training in manufacturing skills. The project is funded under the DOL's High Growth Job Training Initiative. This project will incorporate advanced manufacturing education and training into technical programs at high schools and community colleges and is expected to be replicated nationwide after being piloted in four Southern California counties.

*B. What strategies are in place to address the national strategic direction discussed in Part I of this guidance, the Governor's priorities, and the workforce development issues identified through the analysis of the State's economy and labor market? (§§112(b)(4)(D) and 112(a).)*

At a special February 22, 2007 meeting, the State Board approved a two-phase process for the revision of the State Plan and the development of the strategic workforce plan as required in SB 293. The State Board views strategic workforce planning as an ongoing process which includes public policy discussions and issue resolution by its special committees. This ongoing process has advanced both State and local policy and strategy, as reflected by modifications in this revised State Plan, for addressing the economic and workforce issues which confront California and its local and regional communities.

At the same time, the State Board is committed to the broader strategic workforce planning required of it in SB 293. That process was launched at the same time as the public process for revising the State Plan and is expected to continue until the end of 2007. When completed, the SB 293 strategic workforce plan will serve as a framework for workforce policy development, fiscal investments, and the operation of workforce programs. It will also serve as a strategic framework for the State Plan and other, workforce-related plans.

With the convergence of the strategic planning processes and the new board structure, the State Board will continue to capitalize on its opportunity to be the catalyst for developing a new workforce system vision and strategies that follow the general direction and leadership the Governor has provided since assuming office. The Governor and the State Board also view the eight national priorities, as modified and expanded in 2007, as critical directions for improving and advancing California's workforce system. Finally, the State Board is integrating California's two WIRED projects, and "lessons learned" from them, into its ongoing strategic planning process.

As such, the national priorities, the Governor's priorities, and ongoing issue and solution identification will continue to be major considerations in planning discussions and development and in various strategies discussed in different sections of this plan. The Governor and the State Board are committed to considering and addressing

workforce issues identified through its ongoing strategic planning process and, in doing so, will continue to advance the system towards both the Governor's vision and priorities and the national strategic direction.

- C. *Based on the State's economic and labor market analysis, what strategies has the State implemented or plans to implement to identify and target industries and occupations within the State that are high growth, high demand, and vital to the State's economy? (§§112(a) and 112(b)(4)(A).) The State may want to consider:*
1. *Industries projected to add a substantial number of new jobs to the economy; or*
  2. *Industries that have a significant impact on the overall economy; or*
  3. *Industries that impact the growth of other industries; or*
  4. *Industries that are being transformed by technology and innovation that require new skill sets for workers; or*
  5. *Industries that are new and emerging and are expected to grow.*

The Governor and his administration are examining how business is conducted and how the State might better leverage resources to maximize investments in job creation and workforce development. One result of this examination is the State Board's adoption of policy for investing the Governor's WIA 15 Percent Discretionary funds. The recent Solicitation for Proposals (SFP) distribution of 15 Percent funds went to local projects that addressed one or more of the current investment priorities: 1) high-wage, high-growth job training, 2) advancing workers with barriers to employment, and 3) industries with statewide labor shortages. This policy on investment priorities has resulted in the "seeding" of additional local public and private policy and funding for high-wage, high-growth, high-skill job training such as the Governor's Nurse Education Initiative, which also addresses a vital industry with a statewide shortage.

The high-wage, high-growth investment priority is also a major theme for the State Board's continuing efforts to assist the Governor in achieving his vision and policy priorities as described in Section I of this plan. The State Board's Special Committee on Business and Industry will continue to explore the creation and identification of high-wage, high-growth jobs and the relevance they have to skill gaps, job training, workforce education, and career development and advancement. As an example, the State Board has adopted a policy framework for the investment of the 25 Percent Dislocated Worker funding that incorporates the Governor's three investment priorities including high-wage, high-growth as criteria for Dislocated Worker Additional Assistance.

A principal strategy for California's locally driven workforce system is to invest in tools to ensure that the State and Local Boards, and State and local partners such as education have timely data necessary to identify and target industries and occupations that are high-growth, high-demand, and vital to the economy. These information tools form a basic building block of a demand-driven workforce system.

California hosts the world's fifth largest economy, but California is not one area with one homogeneous economy. The State is marked by a number of regions with unique economic configurations. As a result, industries that flourish in Southern California may not be represented in the northern part of the State. The high technology concentration of Santa Clara County's Silicon Valley may not be suited to the deserts of Southern California. Construction that attracts investment and new workers in

metropolitan areas may be small and only restricted to maintenance or renovation in rural communities. Wholesale trade activities concentrate near ports, railheads, and distribution centers that take advantage of the intersection of Interstate Highways, but retail trade exists wherever population concentrations create enough sales to justify investment.

The State Board sponsored CREP provides better insight into California's economy. The regional perspective supports a better understanding of how the economy is changing, where the changes are concentrated, and what catalysts and conditions are causing those changes. Working with staff from the LMID, the CREP published an industry employment series that provides annual county data at the four-digit North American Industry Classification System level, back to 1990. The project team then used that data as a springboard into the dynamics that take place in and between the State's economic regions. The studies explore specific industry clusters that are critical to the health of those regions and the statewide economy. The nine regional studies compare the performance of the regional economy to the national and State economies, point out the existing economic clusters in the region, and highlight the clusters of economic opportunity upon which local decision makers could focus their attention, specifically workforce investment and economic incentives, to continue building the regional economy.

For example, a great part of the most northern economic region is forested land, much of it designated as national or State forestland. As a result of this ownership, over 40 percent of the current employment in this region is government employment and the remaining jobs were mostly concentrated in retail trade, an industry that typically pays lower than average wages. However, an analysis of the data showed that the fastest growing industries included the management of companies and enterprises, an industry that pays higher than average wages. That newfound industry was followed closely by arts, entertainment, and recreation, another industry with the potential to pay average or above average wages. The researchers found that the low population density in the region is attracting these two new industry sectors. Local decision-makers who participated in presentations of these data across the region recognized the opportunity to use what had traditionally been seen as a constraint (government ownership) as a tool to leverage higher growth in these newly identified clusters of economic opportunity.

A different picture exists in Southern California where the average presence of government employment is less than anywhere else in the State, and the bulk of the jobs are in manufacturing and service industries that export their products outside of Southern California. The researchers found that approximately 35 percent of the almost three million people working in Southern California were involved in making or distributing products, materials, or services to people outside of the area. This understanding is helping planners and decision-makers focus their attention on attracting companies back to this cluster of economic opportunity and they are using the large, well-trained, and experienced workforce along with the presence of many support companies and extensive infrastructure as part of their package. In addition, the LMID produces various products that help individuals and local planners identify and target growing industries and occupations. These include:

- a. Industry and occupational employment projections on-line and through a comprehensive network of One-Stop Career Centers throughout the State;
  - b. Occupational and career information products for public use through that same network of centers;
  - c. Original labor market research such as studies into high-technology, surveys of emerging biotechnology employment, and publication of special labor market publications such as the annual State of the State's Labor Market Report;
  - d. The new Local Occupational Information Group's on-line publications are a vehicle for distributing information about emerging and other high-demand occupations;
  - e. Graphic representations of information, including maps, charts, graphs, and tables, to help people better understand the employment dynamics in their regions and Local Areas;
  - f. Continuing study of traditional core industries, such as agriculture, by collecting and delivering agricultural employment data;
  - g. Industry employment data for small counties overlooked by the mainstream BLS programs;
  - h. Electronic State workforce information delivery systems to which employers, job seekers, and economic developers have Internet access at One-Stop Career Centers and their own offices; and
  - i. Workforce information training activities as needed by the Local Boards or the One-Stop Career Centers across the State.
- D. *What strategies are in place to promote and develop ongoing and sustained strategic partnerships that include business and industry, economic development, the public workforce system, and education partners (K-12, community colleges, and others) for the purpose of continuously identifying workforce challenges and developing solutions to targeted industries' workforce challenges? (§112(b)(8).)*

The Governor is pursuing three strategies to promote and develop strategic partnerships. The first is to continue implementing the four broad priorities for California's workforce system described in Section II. The business-led State Board provides the necessary leadership, and convenes the necessary partnerships to guide the system towards the Governor's vision.

Secondly, the Governor has mandated that government in California improve intergovernmental relations among departments and agencies, as well as with the private sector, to enhance public services. As suggested in Section I, the Governor is actively working with many State agencies to address economic development and workforce challenges across public systems. Moreover, the administration has ensured that these departments and agencies are represented on the State Board.

To that end, the State Board's Special Committee on Business and Industry promotes and develops strategic partnerships to guide the system towards the Governor's vision. The committee concluded that a strong linkage between workforce and economic development was necessary to anticipate and address workforce and regional industry challenges. The Committee and one of its members, the California Association of Local Economic Development (CALED), reviewed the linkages between economic and workforce development and discovered that shared planning was lacking.

However, business retention services was an area of promise that showed a significant degree of coordination between the two systems. As a result, the Committee partnered with the CALED, the CWA, the ETP, the CCCCO, and several Local Boards to conduct eight regional business forums. A final report on the forums is being developed for the committee's use in further developing strategies to strengthen the local linkages between workforce and economic development.

Finally, SB 293 requires that the broad array of State and local education, labor, human services, workforce, private sector, and economic development partners collaborate effectively in developing and implementing a cross-cutting strategic workforce plan for California. This process will bring California's diverse workforce stakeholders together in a sustainable partnership, led by the State Board, to develop common workforce system strategies that will increase the State's economic competitiveness.

*E. What State strategies are in place to ensure that sufficient system resources are being spent to support training of individuals in high growth/high demand industries? (§§112(b)(17)(A)(i) and 112(b)(4)(A).)*

The Governor's three current priorities for the strategic investment of WIA 15 Percent Discretionary funds are:

- High-Wage, High-Growth Jobs;
- Advancing workers with barriers to employment; and
- Industries with statewide shortages.

These priorities have guided the SFP process for each of the last two years, which also required local partnerships to demonstrate in their applications that they had developed match funding through the leveraging of public and private resources.

Another strategy is the continuing development of the CREP, the findings and information of which are being used by local planners in identifying which jobs are most critical to their local and regional economies and ensuring that their training resources are targeting high-growth and high-demand industries. These two strategies, balanced by the Governor's charge for government to improve partnerships and identify cost savings and the sharing of resources to expand training services, will optimize the amount of resources spent on training in occupations in high-growth and high-demand industries.

*F. What workforce strategies does the State have to support the creation, sustainability, and growth of small businesses and support for the workforce needs of small businesses as part of the State's economic strategy? (§§112(b)(4)(A) and 112(b)(17)(A)(i).)*

The Governor and the State Board are committed to the success of California's small businesses. The Governor's goals of reducing the high cost of business, continuously providing employers with a qualified workforce, and creating every opportunity for small business to grow and create more jobs are important strategies for stimulating economic growth. Small businesses drive the majority of growth and innovation within

California. Although small businesses are critical to all areas of the State, they particularly stand out in the many rural areas where there are no large employers.

One of the State Board's strategies for assisting small business was to adopt a policy framework for use of WIA Dislocated Worker 25 Percent funding, including a competitive funding component that prioritized innovative small business services and the development of local Rapid Response systems that modeled responsiveness to the needs of small companies. This policy was based upon successful local models, such as that implemented by the Northern Rural Training Employment Consortium (NoRTEC). Most Local Boards provide business services through their One-Stop systems. NoRTEC's business service portfolio, for instance, consists of three primary functions: Business Startup, Business Expansion, and Business Vitalization. Within these functions, six service clusters are offered: Business Information Exchange, Human Resource Support, Employee Recruitment, Employee Training, Layoff Assistance, and Public Policy.

In 2005, the State Board's Special Committee on Business and Industry adopted the thematic mandate of "supporting California's small businesses." To assist California's businesses succeed, especially the small business owners in their contributions to communities and economy, the committee formed a Business Services Workgroup with the charge of establishing a business services policy that would provide guidance on the development, implementation, and delivery of relevant, high-quality business services through California's One-Stop Career Center System.

The resulting Business Services Policy Framework is designed to provide guidance to the Local Boards for establishing and delivering quality and relevant business services through their local One-Stop systems. The Business Services Criteria component of the framework, for instance, is an integral element in the State-approved basic criteria being implemented through the voluntary One-Stop Certification process.

Overall, these business services are intended for both large and small businesses, and involve moving from a supply driven approach to a demand driven strategy. The framework includes the following five essential components identified by the workgroup:

- Guiding Principles
- Workforce development business services definition
- Business Services Categories
- Business Services Criteria
- Business Services Indicators

SB 293 also now requires that Small Business Development Centers, where they exist, become mandatory One-Stop Career Center partners. Additionally, economic development entities must now be appointed as members on Local Boards.

Based on public and partner discussions with the State Board and within the Special Committee on Business and Industry, other investment strategies are being considered. In order to ensure that California's workforce system assists small



business owners succeed in their contributions to California's communities and economy, the State Board will explore:

- Further developing the capacity of local One-Stop systems and personnel to provide quality business services; and
- Identifying and leveraging State and local resources for the sole purpose of strengthening business services and business service staff.

G. *How are the funds reserved for Statewide activities used to incent the entities that make up the State's workforce system at the State and local levels to achieve the Governor's vision and address the national strategic direction identified in Part I of this guidance? (§112(a).)*

Since the implementation of the WIA, California has used the Governor's WIA 15 Percent Discretionary funds reserved for statewide activities in a variety of ways to provide incentives for system-building, with a focus on both the Governor's priorities and the national priorities. The State Board and the Governor have fashioned initiatives such as the Caregiver Training Initiative, that encourage new local and regional partnerships to address a statewide shortage of health care workers; the Nurse Education Initiative, that relies on strong regional partnerships to address statewide shortages of professional nurses; the Community and Faith Based Initiative, that expanded the access of these organizations and their customers to the training, job, and career services offered through One-Stop Career Centers; and the Veterans Employment-Related Assistance Program, announced by the Secretary of Labor and Workforce Development in March, 2005, to provide enhanced and targeted employment and training services to California's veterans.

The SFPs have made statewide funds available to act as an incentive for a number of different purposes, including services to foster youth and youth with disabilities, farm workers, welfare recipients, and other populations most in need; training for industries with statewide shortages of workers; programs that identify and train for high-wage, high-growth occupations; enhanced partnership and service-integration strategies; and local One-Stop system-building. The latest SFP, for instance, devoted some \$15 million in WIA 15 Percent Discretionary funds for projects that focus on growth Industries that require high-wage, high-skill job training; removing barriers for special needs populations, including serving workers chronically employed at the minimum wage; industries with a statewide need, including the rapidly expanding transportation/logistics industry, and veterans.

In addition to the initiatives and SFPs that have been developed by the Governor, the LWDA, the State Board, and the EDD, WIA 15 Percent Discretionary funds are made available each year for distribution in the form of incentive grants to Local Areas. The Governor's incentive policy, developed by the State Board provides for:

- Allocating 70 percent of WIA available Incentive Award funds for Exemplary Performance awards. Local Boards that meet their negotiated performance indicators in each of the four client groups (Adults, Dislocated Workers, Older Youth and Younger Youth) receive a full or partial award, depending on the outcomes achieved.

- Allocating 30 percent of available Incentive Award funds for regional collaboration or local coordination. In 2007, awards are being provided to Local Boards that can demonstrate successful regional and/or local collaborative efforts to understand the need for, and provide more effective business services, following the policy framework for business services that was developed by the State Board's Special Committee on Business and Industry.

*H. Describe the State's strategies to promote collaboration between the public workforce system, education, human services, juvenile justice, and others to better serve youth that are most in need and with significant barriers to employment, and to successfully connect them to education and training opportunities that lead to successful employment. (§112(b)(18)(A).)*

California's strategy to promote collaboration between subject agencies and programs to better serve youth is threefold: 1) the State and Local Boards will continue to improve and expand both State and local partnerships between entities that serve youth most in need; 2) the system will support State legislative efforts to improve the workforce education curriculum at all levels of education; and, 3) the Governor and the State Board will continue to explore initiatives using federal grant funds and Governor's WIA 15 Percent Discretionary funds that promote the necessary collaboration.

Examples of these three strategies in action are:

- The SYVT, as described in Section III. C. 4, was established in December 2004 to explore strategies for incorporating the new vision to serve out-of-school and at-risk youth as outlined in the DOL Training and Guidance Letter (TEGL) No. 3-04. The State Board reconvened the SYVT during December 2006 under the Special Committee on Lifelong Learning to foster communication, coordination, and collaboration at the State and local levels in support of those who serve youth most in need through WIA funded youth programs.
- CTE continues to be a Governor's priority. At a March, 2007 CTE Summit, the Governor characterized four principles for CTE:
  - ✓ Demand-driven to reflect the jobs that will be available;
  - ✓ Relevant to reflect skill levels needed by industries;
  - ✓ Flexible to adapt to changing industry and technology requirements; and
  - ✓ Provide individuals opportunities to advance their careers and/or upgrade their skills.

The Governor and the California Legislature have made increased funding available to expand vocational and CTE opportunities for middle school and high school students, and to improve linkages between the career and technical curricula of the public schools and community colleges. For instance, the 2006 State budget included \$52 million these CTE purposes. California voters also approved a \$500 million bond measure for classroom construction.

Legislation was also passed in 2006 that requires secondary/post-secondary sequence of courses, employer advisory boards, and compliance monitoring for all

Regional Occupational Centers and Programs. In addition, the California Board of Education approved model curriculum standards and a framework for CTE, making California one of the first states to establish educational standards for CTE. In addition, the CDE and the CCCCCO are developing the State Plan for Career Technical Education. This work is being done in collaboration with representatives from business and industry, institutions of higher education, State agencies, and other key partners.

Representatives of both the CDE and the CCCCCO sit on the State Board. The CDE and the CCCCCO, along with the California Secretary of Education, are also active members of the State Board's Special Committee on Lifelong Learning. Initiatives relating to CTE that have emerged from the State Board and the committee include the CCCCCO's Career Advancement Academies and a WIA 15 Percent Discretionary Pre-Vocational Education SFP.

- *The SIT*, as described in Section III. C. 4, provides leadership and guidance to facilitate full county implementation of improved systems that benefit communities and our common population of children, youth and families. The SIT promotes shared responsibility and accountability for the welfare of children, youth, and families by ensuring that planning, funding, and policy are aligned across State departments.

*I. Describe the State's strategies to identify State laws, regulations, policies that impede successful achievement of workforce development goals and strategies to change or modify them. (§112(b)(2).)*

All State Senate and Assembly Bills are forwarded to each member of the Governor's cabinet, including the Secretary of Labor and Workforce Development. Agencies then assign bills for analysis to appropriate organizations within the agency, such as the EDD and the State Board. The EDD and the State Board also employ staff who actively monitor legislative activity and review all new legislation relating to workforce programs in California and, working through the LWDA, forward analyses and positions on bills to the Legislature and the Governor's Office.

Federal laws are normally implemented in California through enabling legislation. State enabling legislation assigns authority for developing State regulations. The State elected to implement the WIA, however, through an Executive Order issued by the Governor. As a result, California has not developed and implemented its own regulations for the WIA, but follows federal law and regulation.

There are State laws and regulations that impede workforce development goals and strategies. As a result, one of the Governor's important policy directives is to simplify regulations, particularly those that unnecessarily impede efforts to improve California's business climate and economy. Because an adequately and continuously prepared workforce is critical to business and economic growth, the LWDA and its workforce organizations, including the State Board, collaborate with partner agencies and programs at the State and local levels to identify and address unnecessary regulations that burden the State's efforts to provide effective workforce programs and services.

- J. Describe how the State will take advantage of the flexibility provisions in WIA for waivers and the option to obtain approval as a workflex State pursuant to §189(i) and §192.*

California has not exercised the option to become a workflex state, but continuously monitors the need for specific waivers from the DOL. State Board staff participate monthly in a Local Area Administrators' group that is facilitated by the EDD; the California Workforce Association (CWA) and both Local Board members and Local Area Administrators attend State Board meetings and are provided the opportunity to present issues to and make requests of the State Board; and the State Board has developed a waivers process that includes the convening of an ad hoc waivers workgroup for the specific purpose of exploring potential waiver requests when they are suggested ([WIAD05-13](#)). The EDD solicits waiver requests annually during a window period of July – November, although partners and stakeholders can develop and submit suggestions for waiver requests at any time during the year. Additionally, the waivers workgroup was re-convened in January, 2007 to explore both requests for extending waivers currently granted to California and to consider others on the list of 11 included as an attachment to the DOL planning guidance (TEGL 13-06).

**VI. Describe major State policies and requirements that have been established to direct and support the development of a statewide workforce investment system not described elsewhere in this Plan as outlined below. (§112(b)(2).)**

- A. What State policies and systems are in place to support common data collection and reporting processes, information management, integrated service delivery, and performance management? (§§111(d)(2) and 112(b)(8)(B).)*

California manages client information for the WIA program through the State administered Job Training Automation (JTA) system. Use of this system for compliance reporting is mandatory for all entities that receive WIA funds; other partners have the option to use the system. Whether other partners exclusively use the JTA system is determined at the local level.

California encourages service integration through the use of a single client record for program participants being served by the WIA and other partner programs. The JTA system has the ability to track and report partner services. In July 2003, the EDD's WSD issued Workforce Information Act Bulletin ([WIAB 03-07](#)), describing the data management procedures for clients receiving services from more than one program.

While California has yet to implement a common data collection system for core services, many Local Boards have formed alliances to collect usage information for universal service. The SMARTware system, for instance, is an Internet-based database that uses a simple bar code system to track core services. NoRTEC, as another example, has developed a core services data collection system that is used by the eight counties that comprise its Local Area.

California continues to evaluate replacing the JTA system with a more modern reporting system to support this effort. The State approval process and the availability of the necessary funding and staff resources drive the timeline for implementation of a new automated reporting system.

- B. What State policies are in place that promote efficient use of administrative resources such as requiring more co-location and fewer affiliate sites in local One-Stop systems to eliminate duplicative facility and operational costs or to require a single administrative structure at the local level to support local boards and to be the fiscal agent for WIA funds to avoid duplicative administrative costs that could otherwise be used for service delivery and training? (§§111(d)(2) and 112(b)(8)(A).)*

The EDD's Job Service (JS) Branch has issued a series of guiding documents to improve decision-making such as where to co-locate to lower administrative costs. The series includes the JS Model, Partnership Pooled Costs, Co-location Agreement Process, Program Operational Plan, Budget Allocation Template and other tools. These were steps taken by the State to better integrate JS core services into One-Stop systems and reduce waste and duplication.

The Governor is intent upon expanding and improving efforts to create administrative efficiencies within State and local government, and direct more funding into services such as training, by eliminating unnecessary infrastructure and core services costs. The State Board launched its innovative One-Stop cost study in 2006 that will explore and report on these costs at the State and local levels. Once completed, the State Board will use the cost study results to explore opportunities for better co-location, streamlining of operations, and consolidation of facilities and administration.

- C. What State policies are in place to promote universal access and consistency of service Statewide? (§112(b)(2).)*

California is the nation's most populous state, with the largest, most diverse labor force. The unique demographics of each Local Area in California require different methods of ensuring universal access. The State Board supports the idea that Local Areas are best positioned to implement solutions that meet the needs of their local communities.

The EDD produces WIA technical assistance guides for use by Local Boards to ensure consistency in program eligibility. These guides provide a structured, simplified process for implementing universal access. All Local Boards are encouraged to fully engage partner programs and faith-based and community-based organizations to assist in the leveraging of resources. Local Boards are encouraged to collaborate and pool resources where appropriate to improve their workforce investment systems. Technical assistance is also provided through the EDD's on-line WIA Q&A website, monthly WIA Advisory Group meetings with EDD WSD management, and the Regional Advisors.

Of concern to the State and Local Boards is the lack of a universal service tracking system to count the core services that One-Stop centers provide to millions of customers each year. The Central Valley Universal Service Tracking Pilot, funded in part through WIA 15 Percent Discretionary funds, was designed to count the number of people accessing their One-Stop systems, regardless of whether those people eventually register in the WIA programs. Many other Local Boards in the State have developed their own systems for counting all One-Stop customers. The State Board special committees, along with the Governor's Committee, also explore access issues

and recommend policy and capacity building related to access at the One-Stop Career Centers for all adults, including persons with disabilities.

- D. What policies support a demand-driven approach, as described in Part I. “Demand-driven Workforce Investment System”, to workforce development – such as training on the economy and labor market data for local Board and One-Stop Career Center staff? (§§ 112(b)(4) and 112(b)(17)(A)(iv).)*

The LMID’s Labor Market Consultants maintain a presence in local communities and provide training, technical assistance, presentations, workshops, products, and other services to Local Boards, One-Stop Career Centers, and other workforce preparation partners. Specifically, the consultants:

- Analyze labor force and industry trends and remain familiar with the local labor market in order to be in a position to help local providers make data-driven decisions;
- Participate in One-Stop staff meetings, usually to provide information on the local economy;
- Update One-Stop staff on new labor market information or related products and services; and
- Ensure that the most current labor market information is available in One-Stop centers either through links on computers or printed publications in libraries. To accomplish this end, the consultants visit each comprehensive One-Stop Career Center at least once every year to review the publications and electronic information systems in the centers’ resource rooms.

Additional resources are being made available to the field through new and improved computer access to key labor market data and presentations of CREP findings and data. The State Board’s special committees are exploring new and innovative ways of collecting and disseminating economic and labor market information. The LWDA is pursuing similar goals through new and more vigorous State-level partnerships, including providing training to the education communities on how to better use and apply information that is being generated through the CREP.

- E. What policies are in place to ensure that the resources available through the Federal and/or State apprenticeship programs and the Job Corps are fully integrated with the State’s One-Stop delivery system? (§112)(b)(17)(A)(iv).)*

As previously stated in Section V, the Governor has instituted strategic funding priorities and has continued the development of the CREP in order to ensure training resources are targeting high-growth and high-demand industries. Parallel to these two strategies, and in accord with strategies to improve partnerships and identify resource savings in order to expand training services, apprenticeship programs are critical to optimizing the resources spent on training in occupations in high-growth and high demand industries.

For example, as provided in Section IV of this plan, many skilled trades occupations are critical to California’s economy and in demand over the next decade. Apprenticeship programs are a key strategic element for preparing current and future

workers for these occupations, and often place workers in high-wage career paths. Additionally, Job Corps is an effective strategy to prepare young people for a number of these occupations.

The State ensures that the resources available through apprenticeship programs and the Job Corps are integrated into the local One-Stop systems by actively coordinating with those programs through representation on the State and Local Boards, as well as the local youth councils. Labor organizations, the CCCCCO, the CDE, and the LWDA all play roles in the funding and operation of apprenticeship programs and training and all participate on these bodies. The Job Corps participates in those organizations, as well. California's workforce system is now focusing on at-risk youth and how to upgrade the skill-level of current and future workers through the State Board's Special Committee on Lifelong Learning, and its recently re-convened SYVT. The SYVT includes representatives from the Job Corps, organized labor, the CCCCCO, the CDE, and the State Division on Apprenticeship Standards as members, and is developing a collaborative apprenticeship/pre-apprenticeship initiative.

**VII. Describe the actions the State has taken to ensure an integrated One-Stop service delivery system Statewide. (§§112(b)(14) and 121).)**

- A. *What State policies and procedures are in place to ensure the quality of service delivery through One-Stop Centers such as development of minimum guidelines for operating comprehensive One-Stop Centers, competencies for One-Stop Career Center staff or development of a certification process for One-Stop Centers? (§112(b)(14).)*
- B. *What policies or guidance has the State issued to support maximum integration of service delivery through the One-Stop delivery system for both business customers and individual customers? (§112(b)(14).)*

California did extensive collaborative work between 1995 and 1999 in developing and establishing its statewide One-Stop Career Center System. With the implementation of the WIA, the State assisted its 50 WIA Local Areas in redirecting and expanding their mature One-Stop systems into the systems required under the federal law. State assistance included issuing guidance based in federal requirements for One-Stop integration of services and in existing State One-Stop policy, and early training developed and provided by the EDD's CBU.

The State has also provided guidance and training regarding co-location and cost-sharing, both of which are directly related to maximizing the integration of services within the One-Stop system. The co-enrollment of customers has been another subject area related to integration for which the State has provided guidance. The EDD, for instance, issued an information bulletin in 2003 ([WIAB03-7](#)) titled; "Co-enrollment of WIA Participants," based in part on the principle that "One of the main tenets of the WIA is partnering to provide participants the best service and offer the widest array of choices." Finally, the State Board has annually provided incentive awards for local coordination among partner programs within Local Areas.

On an ongoing basis, the EDD provides Regional Advisors who are assigned as liaisons with each of the Local Areas to provide technical assistance in the operation of the local One-Stop systems and the overall implementation of the WIA. The EDD's

Compliance Review Division (CRD) also monitors each of the Local Areas for compliance issues and assists the Local Areas in monitoring and overseeing their local systems and providers.

The statewide One-Stop Career Center System has flourished under local flexibility and community-based innovation. Local Boards developed their own guidelines for operating local One-Stop systems and centers and for ensuring the integration and quality of services. Many Local Boards in California have developed quality-assurance systems through which they certify individual One-Stop centers. However, Local One-Stop Operators, the CWA, and Local Boards have all expressed the need for a quality assurance system at the State level that can better ensure that all One-Stop centers meet minimum, quality standards, including the effective integration of services.

For this purpose, the State Board began the implementation in January, 2007 of its State-level One-Stop Certification system, which entails basic quality standards for certification. The State-level One-Stop Certification process was finalized by the State Board's Special Committee on Accountability in Workforce Investments and approved by the State Board in July of 2006. The quality standards, or basic criteria, were developed in partnership with State and local-level partners from California's One-Stop centers. The framework for State-level certification requires that it:

- Be two-tiered, with the Local Boards developing their own certification processes incorporating the State-approved basic criteria, certifying their own local One-Stop Career Centers, and applying to the State for One-Stop system certification; and with the State Board reviewing applications, validating information, and certifying local One-Stop systems;
- Be Voluntary;
- Be based On State-Approved One-Stop Career Center Certification basic criteria which include compliance requirements based on federal law, along with California's unique principles, criteria, and quality standards;
- Be based on Incentives;
- Be ongoing;
- Offer technical assistance and training; and
- Use existing validation processes.

The State Board separated implementation of the process into four different tracks:

- Development and testing of a self-assessment tool or "Resource Guide;"
- Development of an administrative process for continuous acceptance and approval of certification applications from Local Boards;
- Development of a validation framework for applications certified by the State Board; and
- Development of a brand/logo and other incentives.

As part of the State's *Principles and Criteria for State Certification*, the State Board has determined the One-Stop Career Center system will focus on market/demand-driven efforts targeting both business and job seekers, including the use of labor market information to meet customer needs, and engagement of local and regional economic development efforts. Additionally, the local One-Stop Career Center system "front-



line” staff will reflect a knowledge and understanding of the Local Board’s policy on WIA business, core, intensive, and training services; related local and partner program services; and associated support services.

C. *What actions has the State taken to promote identifying One-Stop infrastructure costs and developing models or strategies for local use that support integration?*  
(§112(b)(14).)

The EDD’s JS developed and employed a cost allocation template that identifies the total costs associated with staff, and specific operating expenses and equipment items that are made available to the One-Stop centers. This template is in use in Local Areas. In terms of integration, the JS policy/procedure in support of integration follows:

- The JS operates Affiliated sites only if (1) requirements for a comprehensive One Stop center are met, (2) JS core services are universally available via three service modes, and (3) there is a Memorandum of Understanding (MOU) meeting federal requirements;
- JS field administrators and managers are authorized to be Local Board members;
- All JS services are provided through the One Stop systems;
- Co-location of JS staff is primarily at One-Stop Career Centers and JS also contracts for non-205 funds to provide employment services for targeted groups;
- CalJOBS<sup>SM</sup>, the Program Activity Support System (PASS), and the Employer Contact Management System (ECMS) are available to all partners. However, JS does not currently share job listings with other databases because the State has not adopted a single, statewide system, nor has it determined how to integrate the local systems into a statewide system. Wide Open Web hyperlinks, however, are allowed to be placed on CalJOBS<sup>SM</sup> by local partners;
- Partners are trained to use CalJOBS<sup>SM</sup> and have flexible options for sharing job listings; and
- Job Identification is coordinated with partners to avoid duplicate contacts with employers through the Employer Outreach Coordination Plan.

The EDD’s WSD has also developed an alternative cost allocation and resource-sharing model that removes barriers to integration and encourages partnerships. California’s approach includes all costs and all partners of the One-Stop systems. By doing so, local partners can see how all resources are being used, and have informed discussions about the optimum future uses of those resources.

Neither the full integration of services nor the leveraging of funds has occurred to the degree desired in One-Stop systems throughout the State. A major reason for these challenges to collaboration and integration is the fear among prospective partners that they will lose control of their resources. Implementing California’s alternative approach to cost allocation and resource sharing would help eliminate those fears. Using this model removes the exposure of contingent liabilities caused by other partners’ decisions, funding, or caseload changes. It allows partners to maintain control over their funding while providing management information on the cumulative costs and production levels of the One-Stop centers. It enables partners to see the value of

partnering in real economic terms, and it encourages a collaborative business process so that limited resources are used in the most efficient and effective manner possible.

The California model, which was piloted in one Local Area, attempts to recognize and quantify the value of services provided by the partner agencies. Based on this, it may provide maximum flexibility in determining what each partner will contribute to the operation of the One-Stop systems. By eliminating the fear that a particular program will be harmed by adverse actions of a partner, the California model cultivates a business environment where decisions can be based on local needs and expected return on investment. One-Stop partners can make decisions that make good business sense and optimize system outputs.

The State Board and the EDD have undertaken an innovative One-Stop cost study of selected One-Stop Career Centers to examine local administrative, infrastructure, and direct services costs incurred by partner agencies, and the system outputs those costs support. The State Board will use the resulting information to develop strategies and guidance that Local Boards can use to increase administrative and service delivery efficiencies, which may afford more funding for intensive, business, and training services. One expected result of the cost study is information that would confirm California's alternative approach to cost allocation and resource sharing. In that event, the State would continue to actively seek approval from the DOL to utilize this new model statewide.

*D. How does the State use the funds reserved for statewide activities pursuant to (§§129(b)(2)(B) and 134(a)(2)(B)(v).) to assist in the establishment and operation of One-Stop delivery systems? (§112(b)(14).)*

In 2006, the State Board, through its Special Committee on Accountability in Workforce Investments, formally launched the cost study of California's local One-Stop Career Center systems (referenced above) that will provide opportunities to identify efficiencies and cost savings in order to strategically redirect savings into expanded customer services such as training and business services. The study is being financed through WIA 15 Percent Discretionary funds and may also identify strategic investment opportunities to enhance the One-Stop delivery system in order to ensure its effectiveness in helping to improve the State's business climate and strengthen and support its global economy. Results of the study should be available in the summer of 2007. The State Board's goal is for State and local partners to strategically invest more public and leveraged private resources into the workforce system.

The Governor is investing his WIA 15 Percent Discretionary funds strategically, including investments in the improvement of the One-Stop Career Center System. For example, the Governor's investment in the CREP better ensures that the local One-Stop systems have access to relevant regional economic analysis and labor market information, which is critical in developing a demand-driven system architecture.

Other examples of statewide funding in support of the local One-Stop systems are that:

- Each Local Area receives a baseline of Rapid Response funding;

- The EDD provides each Local Area a Regional Advisor to provide technical assistance for the administration of their local One-Stop system;
- The EDD's LMID provides labor market information through the One-Stop centers' resource rooms (see Section IX.4. for a description);
- The EDD provides capacity building services that are available to all One-Stop system personnel on a continuous basis;
- Governor's WIA 15 Percent Discretionary funds SFPs provide grants to local One-Stop centers and Local Boards for system building; and
- Fiscal incentives may be made available to Local Areas that successfully complete the new, State-level One-Stop certification process.

*E. How does the State ensure the full spectrum of assets in the One-Stop delivery system support human capital solutions for businesses and individual customers broadly? (§112(b)(14).)*

As described in Section IX.A.1 and IX.C.4.a., California has begun the development of a framework that would ensure that One-Stop services in California are broad and targeted towards addressing the workforce needs of business and providing the human capital that businesses require to flourish. This objective can be accomplished through the effective integration in local One-Stop systems of workforce services, which are accessible and relevant to the needs of California's local and regional communities. Most Local Boards have been developing demand-driven systems that offer various mixes of business services, including human capital solutions. With the Governor's priorities for California's workforce system, and strategic direction adopted by the State Board, the State will develop more guidance and identify more ways to support these local efforts.

Ensuring that assets are available for human capital solutions was one of the goals of California's 25 Percent Policy Framework, which was adopted by the State Board in May 2004. As described in Section IX.D., California administers a locally driven Rapid Response System through its 50 local areas, which provide the services through their local One-Stop systems. The policy framework provides a defined role for the State and local Rapid Response system that includes assisting employers in exploring alternatives to layoffs through human resource solutions, and providing employers with pertinent information that can support those efforts. Additionally, the policy framework provides competitive funding opportunities for proactive services to assist employers in averting layoffs and succeeding in today's economic climate.

An example of this policy framework in action is the Los Angeles Layoff Aversion Council that brings together a collaboration of five Local Boards, community and local economic development entities, and private sector partners to assist employers in averting layoffs and succeeding in their respective industry sectors. Other examples can be found throughout the State. In the northern, mostly rural areas of California, for instance, one of the Local Boards that represents a consortium of counties receives baseline funding through the Rapid Response policy framework to support business services that are focused on providing human capital solutions to employers, most of whom operate small businesses. This baseline funding supports efforts to assist small businesses in succeeding, which can avert layoffs and provide workers continuing opportunities to be integral parts of small- or large-businesses' success.

Additionally, a central component of California's One-Stop Career Center Certification process is the set of criteria for certifying local business services, which were developed by the State Board's Special Committee on Business and Industry. Each business services criterion is intended to assist local administrators in coordinating the broad array of resources offered through California's One-Stop System. These criteria are also intended to better prepare the local One-Stop service providers to identify human resource solutions to the challenges facing California's businesses. The business services criteria drew upon local effective practices, such as the Stanislaus County Alliance through which Stanislaus has gone from a job seeker surplus to a job order surplus, demonstrating that human resource solutions inherently impact both business and job seekers.

## **VIII. Administration and Oversight of Local Workforce Investment Systems**

### *A. Local Area Designations*

- 1. Identify the State's designated local workforce investment areas and the date of the most recent area designation, including whether the State is currently re-designating local areas pursuant to the end of the subsequent designation period. (§112(b)(5).)*
- 2. Include a description of the process used to designate such areas. Describe how the State considered the extent to which such local areas are consistent with labor market areas: geographic areas served by local and intermediate education agencies, post-secondary education institutions and area vocational schools; and all other criteria identified in section 116(a)(1) in establishing area boundaries, to assure coordinated planning. Describe the State Board's role, including all recommendations made on local designation requests pursuant to section 116(a)(4). (§§112(b)(5) and 116(a)(1).)*

California has 50 designated Local Areas (see Attachment L). Each of these areas was subsequently designated as a Local Area for the life of the original 5-Year Plan. The Governor extended these designations to the end of the current State Plan, and plans to extend them into the two-year period of the revised State Plan.

Of California's 50 Local Areas, 17 are "automatic" designees, while 33 are either "temporary" or "State Board recommended" designees. At the time of the original designations, the Governor issued provisional designations until such time as the State Board was appointed. Once appointed, the State Board reviewed the designations and recommended that the Governor approve them. In December 2002, after establishing policy for the subsequent designation of "temporary" and "State Board recommended" Local Areas, the State Board recommended that the Governor approve subsequent designation for these 33 Local Areas and extend their designations through the life of the original 5-Year Plan.

In response to a local request for modification, the State Board developed a Local Area modification policy in 2004 that was subsequently adopted by the Governor. This policy and process, as well as those adopted by the State for initial and subsequent designation of Local Areas, follows the guidance in federal law and

regulation, including the considerations of the criteria identified in 116(a)(1) to assure coordinated planning.

The Local Area modification policy and process was applied in 2005 to a request from the NoRTEC and Golden Sierra Consortium (GSC) local workforce investment boards to move Sierra County from the GSC into the NoRTEC. Both consortiums followed all requirements under the Local Area modification process, including a public comment period (through which no opposing comments were received). This Local Area modification request and supporting documentation were presented to the State Board on March 30, 2006 and the State Board recommended that the Governor approve the Local Area modification.

Approval of the NoRTEC/GSA Local Area modification request will achieve the following benefits:

- Better alignment of workforce resources within the two Local Areas;
- Provide greater accessibility to services for customers in Sierra County; and
- Improve the operations and the services in the participating Local Areas.

3. *Describe the appeals process used by the State to hear appeals of local area designations referred to in §§112 (b)(5) and 116(a)(5).*

A description of the appeals process used for initial designation can be found in Section X.E.1. of this plan.

B. *Local Workforce Investment Boards – Identify the criteria the State has established to be used by the chief elected official(s) in the local areas for the appointment of local board members based on the requirements of section 117. (§§112(b)(6) and 117(b).)*

In late 1999 all local chief elected officials (CEO) in California were polled on their intention to apply for a Local Area designation. Those who indicated intent were provided with Local Area designation applications, along with the criteria necessary for them to use in the appointment of Local Board members per WIA Title I, section 117. These criteria were in effect until January, 2007 at which time SB 293 added new requirements for Local Board composition. Notably, Local Boards must now achieve a ten to fifteen percent organized labor representation and include human resources executives from local businesses and representatives of private sector economic development entities. The Governor recertifies Local Boards once every two years based on the certification criteria contained in WIA section 117(c)(2) and State policy.

At its November, 2007 meeting, the State Board recommended re-certification of 49 of California's 50 Local Boards. The one that was not recommended for re-certification is the San Francisco Workforce Investment Board, which is being re-established and re-appointed by the Mayor. The State Board is expected to recommend certification of the new San Francisco board once it is fully appointed, including the new compositional requirements in SB 293. A State Board/EDD staff team will develop new, more rigorous guidelines (including the new SB 293 requirements), and attendant technical assistance for the certification/re-certification of Local Boards.

*C. How will your State build the capacity of Local Boards to develop and manage high performing local workforce investment systems? (§§111(d)(2) and 112(b)(14).)*

Using the expertise of our State-level partners, the EDD's CBU and the CWA, training has been provided to all Local Boards. In early 2005 the CBU introduced an online WIA overview training program. Local Boards are using this online training program throughout the State to educate new board members on the intent and administration of the WIA program in California.

The State Board is committed to forging new and stronger partnerships with California's 50 Local Boards. The State Board's special committees, for instance, each invited at least one Local Board member to participate as voting members. The State Board will continue to explore ways that it can better engage Local Board members in State Board meetings and activities, as well as ways that State Board members might participate in Local Board meetings and activities.

In 2006 the State Board pursued a new opportunity, afforded by its Special Committee on Accountability in Workforce Investments, to form an ongoing Capacity Building Workgroup (CBW) under the committee. The CBW is comprised of State Board, EDD, CWA, DOL, and partner staff. The CBW's goal is to assist the State Board in optimizing the provision of capacity building and technical assistance by collaborating with State and local partners to investigate the efficacy of the current strategies, systems, and funding. The CBW will make recommendations for new or modified strategies, systems, and even funding to the committee and the State Board to support capacity building and technical assistance to Local Boards and local practitioners.

*D. Local Planning Process -- Describe the State mandated requirements for local workforce areas' strategic planning. What assistance does the State provide to local areas to facilitate this process, (112(b)(2) and 20 CFR 661.350(a)(13).) including:*

- 1. What oversight of the local planning process is provided, including receipt and review of plans and negotiation of performance agreements? and*
- 2. How does the local plan approval process ensure that local plans are consistent with State performance goals and State strategic direction?*

The EDD's LMID provides a range of social, economic, and demographic data, fitted to the boundaries of each Local Board every year. These "Planning Information Packets" (PIPs) help local organizations identify target group needs and make appropriate resource allocations for employment and training activities. The PIPs are helpful to Local Boards in developing and updating their local plans. The PIPs offer information on:

- Public Assistance Recipients by program and demographic characteristics;
- Occupations with the Greatest Absolute Job Growth;
- Lower Living Standard Income Level and Poverty Guidelines; and
- Labor Force and Census based planning information, including Characteristics of Economically Disadvantaged Persons and Characteristics of Various Potential Client Groups.

The Local Boards submitted their initial strategic Five-Year local plans pursuant to the requirements outlined in WIA Section 118 and instructions provided in [WIAB99-2](#). Since then, the State has issued several supplemental guidance instructions to address the modification of the initial plans and to ensure that local plans are consistent with the Administration's vision and goals. The most recent supplemental guidance was issued in 2006, through [WIAD05-19](#), and new guidance will be developed and issued in 2007 that specifies that Local Boards are required to modify plans to address:

- Significant changes in local economic conditions,
- The two-year State Plan,
- Changes in financing available to support WIA Title I and partner-provided WIA services,
- Changes to the Local Board structure, particularly membership changes required through SB 293,
- A need to revise strategies to meet performance goals, and
- Other changes as required in SB 293 such as the requirement that local plans incorporate a description of business services provided through the system.

The EDD's Regional Advisors review the plans to ensure that they contain key required elements such as the locally negotiated performance levels, updated MOUs, budget plans, and participant summaries.

*E. Regional Planning (§§112(b)(2) and 116(c))*

1. *Describe any intra-State or inter-State regions and their corresponding performance measures.*
2. *Include a discussion of the purpose of these designations and the activities (such as regional planning, information sharing and/or coordination activities) that will occur to help improve performance. For example, regional planning efforts could result in the sharing of labor market information or in the coordination of transportation and support services across the boundaries of local areas.*
3. *For inter-State regions (if applicable), describe the roles of the respective Governors and State and local Boards.*

California has not formally created either intra- or inter-state regions, as specified in the WIA. California has, however, participated in certain efforts to share important information among states and make that information available to workforce customers. The western states, including California, offer user-friendly labor market information data-sharing across state lines. This supports other State and local staff, workforce preparation customers in California, and customers interested in the labor markets of a number of other states. California participated in the "Workforce Informer" consortium of 22 State Labor Market Information programs that joined together to develop a common labor market information website that delivers the data in the America's Labor Market Information System (ALMIS) database. To date, fourteen states nationwide, including all the western states, have "Workforce Informer"-based websites. Customers familiar with California's [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov) website can find similar navigation features and content at the labor market information websites of the other states, easily exploring the labor markets of nearby states, and vice versa.

California has also encouraged and supported intra-State regions through a variety of State-led initiatives, including WIA 15 Percent Discretionary funds SFPs. Most of California's 50 Local Areas have coalesced into informal regions for the purposes of planning and service delivery. They have done this for a variety of purposes, including meeting the needs of particular employers or industries, developing regional data systems, collaborating on projects funded through foundations or employer contributions, and in response to Governor's WIA 15 Percent Discretionary funds initiatives such as the Nurse Education Initiative, which was regionally structured to provide grants to partnerships that represent multiple Local Areas. Another State initiative, the CREP, is providing vital economic and labor market information to Local Areas and is based on a regional model.

Local Boards report that most of them participate with other Local Boards in regional collaboratives that are issue-driven. Los Angeles County, for instance, is operating as a region consisting of its eight Local Areas for the purpose of marketing their One-Stop systems and services. These informal regions, however, shift with the issues that bring them together. Santa Cruz County, for instance, is split nearly in half economically, with a southern portion that is largely agricultural and a northern portion that is largely high-tech based. Santa Cruz has joined with other adjacent agricultural neighbors in regional efforts that focus on that industry, while participating regionally with northern neighbors who share in the high-tech industry sector.

The State Board will continue to work with Local Boards to determine if more regional planning, performance, and coordination of service delivery may potentially result in local administrative and programmatic efficiencies. Enhanced regional planning may also make it easier for Local Boards to meet the regional needs of California's economy. Finally, regional economies and regional planning and coordination will constitute one of the strategic areas that the SB 293 strategic planning process will consider over the next year.

*F. Allocation Formulas (112(b)(12).)*

- 1. If applicable, describe the methods and factors (including weights assigned to each factor) your State will use to distribute funds to local areas for the 30% discretionary formula adult employment and training funds and youth funds pursuant to §§128(b)(3)(B) and 133(b)(3)(B).*

The State will not be distributing Adult or Youth funds to Local Areas using the optional formula pursuant to Sections 128(b)(3)(B) and 133(b)(3)(B) of the WIA. California distributes the Youth funds through a standard formula [33 percent on the basis described in section 127(b)(1)(C)(ii)(I), 33 percent on the basis described in section 127(b)(1)(C)(ii)(II); and 33 percent on the basis described in clauses (ii)(III) and (iii) of section 127(b)(1)(C)]. California distributes Adult funds through a standard formula [33 percent on the basis described in section 132(b)(1)(B)(ii)(I), 33 percent on the basis described in section 132(b)(1)(B)(ii)(II); and 33 percent on the basis described in clauses (ii)(III) and (iii) of section 132(b)(1)(B)].



2. *Describe how the allocation methods and factors help ensure that funds are distributed equitably throughout the State and that there will be no significant shifts in funding levels to a local area on a year-to-year basis.*

By using the standard formula to distribute the Adult and Youth funds allocations to the Local Areas, California will be distributing amounts using the formula prescribed and recognized by the WIA. The formula used to distribute the Adult allocations considers unemployed individuals in areas of substantial unemployment; the relative excess number of unemployed individuals in the State; and the relative number of disadvantaged adults. The formula used to distribute Youth funds will follow the first two factors for the Adult distribution but the third factor completing the Youth formula will be based upon the relative number of disadvantaged youth.

Any significant shift in funding that occurs due to changes in one or more of the factors within the formula is offset, in part, by the implementation of the “hold-harmless” provision. The “hold-harmless” guarantees that Local Areas will receive at least 90 percent of their average allocation percentages for Adult and Youth funds for the prior two years.

3. *Describe the State’s allocation formula for dislocated worker funds under §133(b)(2)(B).*

For the Dislocated Worker allocation, the WIA requires that a state allocate the funds based on an allocation formula prescribed by the Governor, who may amend the formula not more than once for each program year. The formula must utilize the most appropriate information available to distribute amounts to address the state’s worker readjustment assistance needs.

California will allocate funds to the Local Areas for Dislocated Worker employment and training activities using the information as prescribed by the WIA. The EDD and the State Board will review the factors each year to confirm that the weight given each factor ensures that each Local Area receives an equitable share of the formula allocation. Any recommendation to change the existing factors will be forwarded to the Governor by the State Board.

In 2006, the State Board reviewed the Dislocated Worker allocation formula at the request of the State Legislature, and developed a new formula that will be implemented, after approval of the Secretary of Labor, for Program Year (PY) 2007-08. The distribution has been weighted to the following four factors:

- Long-term Unemployment Insurance (UI) Claims – weighted at 40 percent
- Mid-term UI Claims – weighted at 30 percent
- Short-term UI Claims – weighted at 10 percent
- Long-term Civilian Unemployment – weighted at 20 percent

For the WIA Dislocated Worker sub-state allocation formula, California will now use a hold-harmless provision similar to the provision in the WIA Adult and Youth sub-state allocation formula. The hold-harmless provision will help to mitigate year-to-year funding volatility by ensuring that each of the 50 Local Area’s awards are no

less than 90 percent of their average percentage share from the prior two years. Local Areas that receive more than 100 percent of their average percentage share from the prior two years will be proportionately reduced to ensure the funding necessary for the Local Areas that are below the 90 percent threshold. This provision also includes a three-year average percentage share for the first year only, in order to capture one year of data prior to the formula allocation policy change.

4. *Describe how the individuals and entities on the State Board were involved in the development of the methods and factors, and how the State consulted with chief elected officials in local areas throughout the State in determining such distribution.*

The standard formula allocation method for distribution of Adult and Youth funds does not require input by the State Board, CEOs, or Local Boards. During WIA implementation, both the State Board and Local Boards had opportunities to weigh in on the formula distributions. The State Board may, in consultation with Local Boards and CEOs, make policy recommendations to the Governor to adjust the manner in which the allocations are distributed to the Local Areas.

Late in 2005, an informal State Board/EDD workgroup recommended that the State prepare a report that assessed issues and alternatives related to the Dislocated Worker 60 Percent funding allocation formula. The EDD released a draft of that report in June 2006. The State Legislature voiced concerns, however, during budget hearings, about the reduction in Dislocated Worker formula funds to certain areas of the state as a result of federal changes in the use of Mass Layoff Statistics in the allocation formula. The Legislature subsequently included a provision in the budget bill that required the EDD, in consultation with the State Board, to research this problem and provide a report, with recommendations, to the legislature no later than January 10, 2007.

In response, the State Board formed an Ad Hoc Committee to address the issue and to develop recommendations for revising the Dislocated Worker sub-state funding formula. The committee held four publicly-noticed meetings that were conducted within a predetermined timeframe, and made its recommendations to the State Board at its November, 2006 public meeting.

The recommendations were posted on the State Board's website during a 30-day public comment period that ended prior to the November State Board meeting. The draft recommendations were also distributed to California's workforce community, including local CEOs, through the EDD Information Bulletin process. Summary comments were presented to the State Board Administration Committee, which approved the recommendations prior to the November State Board meeting, at which time the State Board approved them.

*G. Provider Selection Policies (§§112(b)(17)(A)(iii), 122, 134(d)(2)(F).)*

1. *Identify the policies and procedures, to be applied by local areas, for determining eligibility of local level training providers, how performance information will be used to determine continuing eligibility and the agency responsible for carrying out these activities.*

The State Board and the EDD developed California's Eligible Training Provider List (ETPL) in conjunction with State and local partners. The EDD's WSD administers the ETPL, and the policies and procedures to be applied by the local administrative entities for determining the eligibility of training providers are delineated in [WIAD01-16](#), issued on April 15, 2002.

The State ensures that all providers and their programs on the ETPL are viable by requiring that applicants be authorized to operate within the State through a federal or State control agency. Local Boards are encouraged to evaluate performance information, particularly entered employment and completion rates, for programs to be included on the State's ETPL. The EDD Directive places the responsibility for monitoring of training sites at the local level.

California has had a waiver extending the period of initial eligibility of training providers and therefore has not implemented the Subsequent Eligibility procedures contained in [WIAD01-16](#). California has enhanced its automated ETPL system to accept and publish performance data. Ensuring informed customer choice requires good data for evaluation. The current WIA ETPL provisions make it difficult for a large, diverse state like California to insure equitable performance accountability for providers and programs. The State continues to explore a consistent and equitable method for calculation of comparable performance outcome data across training programs.

California would like to request continuation of the State's waiver of WIA Section 122 (c) through PY 2009. Please see Section X.C. for California's request to extend its ETPL subsequent eligibility waiver.

2. *Describe how the State solicited recommendations from local boards and training providers and interested members of the public, including representatives of business and labor organizations, in the development of these policies and procedures.*

California's current ETPL policy was developed in collaboration with a partner workgroup consisting of representatives from Local Areas, key State agencies, the training provider community, and other interested parties. Labor and business stakeholders had opportunities to comment at public hearings before the State Board. The final ETPL policy was heard and approved by the State Board on April 15, 2002.

In 2006, the State Board, in partnership with the DOL Region 6, Local Boards, State partners, and the EDD reviewed the existing directive and policies, particularly the policy on subsequent eligibility, with an eye towards making it easier for providers, particularly community colleges and adult education providers, to apply for ETPL eligibility. This effort resulted from concerns expressed by certain Local Boards and education providers that California's approved waiver of subsequent eligibility requirements was not understood or appreciated by all Local Boards and providers. A new directive ([WIAD06-15](#)) was issued removing subsequent eligibility requirements and providing other information and changes to expedite the initial eligibility process for education providers.

3. *How will the State maintain the State's eligible training provider list?*

The EDD's WSD administers the ETPL through the JTA system. The detailed policy and procedures were modified in [WIAD06-15](#). The [California ETPL](#) is available on the Internet. The general administrative process follows:

- The training provider and Local Board staff complete the required State/Local application and submit the required data through the JTA system. The Local Board is required to certify that the data provided by the training providers for initial and subsequent eligibility are complete. Local boards may make site visits to verify the viability of training providers. All training programs certified by a Local Board for inclusion on the ETPL must be approved to operate by a State or federal education agency or by the State Bureau of Private Post Secondary Vocational Education.
- Procedures related to denial, de-listing, and appeals are outlined in [WIAD06-15](#).
- Within a maximum of 30 days, State staff review the application for completeness. Applications that do not meet the minimum requirements for certification are returned to the Local Board for additional information review. State staff approve complete applications.
- Approved applications are published on the statewide Internet-based list the next business day.

4. *Describe the procedures the Governor has established for providers of training services to appeal a denial of eligibility by the local board or the designated State agency, a termination of eligibility or other action by the board or agency, or a denial of eligibility by a One-Stop operator. Such procedures must include the opportunity for a hearing and time limits to ensure prompt resolution.*

California ETPL appeal procedures are included in [WIAD06-15](#).

5. *Describe the competitive and non-competitive processes that will be used at the State level to award grants and contracts for activities under title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16).)*

California uses the procurement law governing all State agencies (California Public Contract Code, Article 1, Sections 10100 through 10285.5) to award competitive and non-competitive contracts using any federal or State funds. California also uses State policy, including specific guidance and procedures regarding the State contracting process, contained in the State Contracting Manual, prepared by the Department of General Services (DGS) with assistance from the State Contracting Advisory Network, and maintained by the DGS Office of Legal Services. The State Administrative Manual is published under the authority of the Department of Finance and DGS. The primary method of competitive bidding for contracts generally is referred to as the Request for Proposal (RFP). Potential bidders are made aware of funding available for competitive bid through notification in the California State Contracts Register.

When appropriate, the State will use a form of the RFP called the SFP to distribute competitive local grants under the Governor's WIA 15 Percent Discretionary funds. Grants will be available to public, private non-profit, and private for-profit entities through the SFP process, which will encourage the coordination of proposals with Local Boards. The availability of competitive grants will be advertised on the State Board and EDD websites, among others, and through public notices mailed to interested parties. As appropriate, bidders' conferences will be held at various locations throughout the State to clarify the requirements for bid submittal and grant awards.

California's SFP process includes:

- Notification of available funding is posted on the State Board and/or EDD websites and mailed to an interested party mailing list of over 7,000 individuals. Additionally, both the State Board and the EDD provide free e-mail subscription services. Subscribers to the EDD e-mail list receive notification announcing the latest news about programs and services online, including what's new on the EDD's website, recently added forms and publications, events, and announcements;
  - Release of the SFP to bidders and making it available via mail, e-mail, and the Internet;
  - Requesting a letter of intent from prospective bidders;
  - Bidders' conferences and grant writing workshops held throughout the State, conducted in person and through teleconferences;
  - Upon receipt of proposals, teams of federal, State, and local-level partners complete evaluation and scoring using factors given specific numeric values;
  - Scoring and comments are recorded on an evaluation rubric or scoring sheet. In the event of a significant difference in the scores between two teams, a third independent reading is done;
  - Depending on the funding category, site visits are conducted for proposals reaching a threshold score. Onsite scores are compiled and added to proposal reader scores to arrive at final scores; and
  - Staff present recommendations to the funding authority for approval.
6. *Identify the criteria to be used by local boards in awarding grants for youth activities, including criteria that the Governor and local boards will use to identify effective and ineffective youth activities and providers of such activities. (§112(b)(18)(B).)*

California's Strategic Five-Year Plan for the WIA provided guidance to Local Boards on criteria to be used in identifying effective providers and youth activities. These criteria were developed collaboratively during the original WIA planning process and are used by Local Boards as guidance in developing their own criteria for competitively awarding grants for youth activities. These criteria are listed below:

*Effective activities and programs criteria:*

- Capacity to conduct necessary skills and needs assessments which will assist in identifying objectives;
- Ability to provide follow-up services for 12 months;
- Proof of coordination and collaboration with local secondary and post-secondary programs;
- Proof of prior experience working with disadvantaged, special populations, and diverse demographic youth groups;
- Proof of prior experience operating education, training, and employment programs for youth;
- Plans to leverage funding with other youth funding sources;
- Demonstration of sound fiscal responsibility;
- Proof of collaboration with profit, non-profit, public, and private youth providers, as well as employers within the community;
- Identification of connections to intermediary organizations linked to the job market and employers;
- Ability to provide youth services that directly respond to needs identified by a community;
- Innovative youth program design;
- Connection with the local One-Stop Career Centers; and
- Safe and easily accessible locations that comply with the Americans with Disabilities Act.

Effective youth provider criteria:

- Demonstrate acceptable performance;
- Include parents in customer satisfaction with services for youth age 14-18;
- Involve family members in determining service needs;
- Develop relationships between youth and mentoring adults;
- Provide strong case management to track program outcomes;
- Provide advocacy and support to minimize barriers to the success of youth;
- Assist clients with the skills to be self-sufficient;
- Maintain fiscal responsibility;
- Demonstrate prior success in involving local businesses and the employers in the education and training services provided to youth;
- Demonstrate that the program can provide new and innovative training;
- Provide comprehensive guidance and counseling;
- Provide accommodations for special-needs populations;
- Provide outreach services to school dropouts and out-of-school youth; and
- Establish high expectations.

Beyond the current criteria that Local Boards and their youth councils use in identifying effective youth providers and activities, the DOL's new strategic vision recognizes that out-of-school youth (and those most at risk of dropping out) are a vital segment of the new workforce. It notes that WIA-funded Youth programs must provide youth with quality secondary and postsecondary education and prepare them for entry into positions in high-growth industries and other employment opportunities.

As both the DOL and California develop their new youth vision, additional criteria and guidance for Local Boards and their youth councils are being identified. These additional criteria, when developed, will emphasize service in four specific areas: alternative education; meeting the demands of business in a high-growth economy; youth most in need; and improved performance (based upon the national implementation of simplified, common measures). The State Board's Special Committee on Lifelong Learning and the re-established SYVT will play major policy roles in implementing the federal shared vision for youth and its attendant service strategies.

#### *H. One-Stop Policies (§112(D)(14).)*

- 1. How will the services provided by each of the required and optional One-Stop partners be coordinated and made available through the One-Stop system. Include how the State will consolidate Wagner-Peyser Act funds to avoid duplication of core services. (§112(b)(8)(A).)*

California's strategy to ensure services are provided by each of the required and optional One-Stop partners through local One-Stop systems will be discussed in Section IX.A.1., "One-Stop Delivery Strategies." The EDD's JS has provided guidance and technical assistance to ensure that Wagner-Peyser services are delivered through local One-Stop systems in ways that minimize duplication of services and costs.

As a part of the Governor's vision and priorities for the workforce system in California, the State Board is exploring ways to maximize the amount of public and private workforce resources that are expended on training in demand occupations in industries vital to the States economy. The State Board's Special Committee on Targeting Resources has developed a new strategic partnership framework that will be disseminated through guidance to Local Boards and will also inform future WIA 15 Percent SFPs. The framework was co-developed with the Special Committee on Lifelong Learning and in part already resulted in workforce partnership principals being applied by the CCCCCO through its Career Advancement Academy initiative, which depends on public and private leveraged funding. Continuing to improve intergovernmental relations, forge stronger partnerships, and strategically target both public and private resources are Governor's priorities that are guiding the State Board as it explores issues such as how to better align Wagner-Peyser funding with WIA Title-I funds to avoid the duplication of core services and how to better align workforce development with education and business.

As described in the Plan Development Process at the beginning of this plan, State and local One-Stop partners participated in a meaningful way in the development of the State Plan, and had similar opportunities, particularly through committee work, for engaging in the substantive policy discussions that led to this current revision of the plan. Many of the issues and strategies that special committees have addressed relate to better collaboration and coordination as a means of maximizing the integration of partner services in the One-Stop system. Section III.C.1 briefly discusses how the State will improve collaboration and coordination, which includes goals, such as better sharing of resources, which are integral to

improving the integration of services within the One-Stop systems. Section IX.C.4.d. briefly discusses some specific steps the State is already taking to better coordinate and integrate the Rapid Response, Dislocated Worker, and Trade Adjustment Assistance (TAA) programs within the One-Stops.

The EDD also has implemented structural changes as a means of reducing the duplication of services. The administrative separation of the Job Service Division Central Office and the Workforce Investment Division within the EDD's Workforce Services Branch (WSB) had created some parallel efforts in service delivery. To address this, the EDD has consolidated these divisions into the WSD, a single integrated unit within the WSB to unify services and streamline coordination.

2. *Describe how the State helps local areas identify areas needing improvement and how technical assistance will be provided.*

The EDD and the State Board assist Local Boards in identifying areas needing improvement through fiscal and compliance monitoring and the deployment of EDD's Regional Advisors, who act as technical assistance liaisons with every Local Area in California. When improvement areas are identified through monitoring, they are communicated to the Regional Advisors, who then provide technical assistance to the Local Areas and assist the Local Areas in developing and implementing corrective action strategies. Technical assistance is also provided through WIA directives and guides such as the *WIA Title I Eligibility Technical Assistance Guide*.

The EDD's WSD offers capacity building and technical assistance through their website, information bulletins, the CBU, a Local Area Administrator's group, and various other workgroups that are formed to resolve issues around critical program and administrative areas in the WIA. The State Board and the EDD are committed to continually improving State-level technical assistance and capacity building.

Additionally, the State Board has implemented its voluntary, State-level One-Stop Certification process for Local Board use. The primary objective is to ensure that Local Boards successfully oversee their One-Stop Career Centers and use basic, quality criteria approved by the State Board.

3. *Identify any additional State mandated One-Stop partners (such as TANF or Food Stamp Employment and Training) and how their programs and services are integrated into the One-Stop Career Centers.*

SB 293 requires that small business development centers, where they exist, become partners in the local One-Stop systems. Other than this new partner, California has not mandated additional One-Stop partners, although an important optional partner that participates in nearly of all of the local One-Stop systems is the TANF program (CalWORKS in California) that is operated locally by County Welfare Departments. This participation of CalWORKS in local One-Stop systems dates back to California's original One-Stop systems building effort starting in 1995, and was enhanced considerably with the 1997 Welfare-to-Work Grant Program. . In 2005 the CDSS provided in regulation that County Welfare Departments also register transition age foster youth at their local One-Stop Career Centers. Overall,



the County Welfare Departments have reportedly invested over \$170 million in One-Stop systems statewide, and in most Local Areas have successfully integrated programs, customers, and staff into the One-Stop centers.

- I. *Oversight/Monitoring Process -- Describe the monitoring and oversight criteria and procedures the State utilizes to move the system toward the State's vision and achieve the goals identified above, such as the use of mystery shoppers, performance agreements. (§112(b)(14).)*

In 2004, the State Board contracted with UC Davis to conduct the first statewide evaluation of California's implementation of the WIA. The evaluation used a "phased" approach, and phases, as well as a final report, have now been completed. The first report identified "opportunities for leadership" for the State Board and recommendations with which the Governor, the LWDA, and the State Board worked to revitalize the board and redirect the workforce system. One of the Governor's primary objectives, for instance, as described in Section I of this plan, is to minimize administrative costs and eliminate duplication of services in order to increase the workforce system's capacity for training existing and future workers with the skills required by the new economy. The interim and final evaluation reports are available through the State Board's website at <http://www.calwia.org>.

The State Board, through its One-Stop cost study, is exploring these costs and integration challenges in order to identify opportunities to maximize the use of workforce resources for training and other direct services to both workers and businesses. Results of these ongoing statewide evaluations, along with results of the State's various compliance monitoring activities, are being used by the LWDA and the State Board to help inform collaborative policy discussions about issues with the system that serve as barriers to achieving the Governor's vision and priorities. This information will also be vital to supporting the strategic planning process required by SB 293.

The EDD ensures that the WIA is implemented in a manner that is consistent and compliant with law. The EDD's CRD conducts annual on-site reviews of each Local Area's administration of its 85-percent formula funded programs for compliance with programmatic and administrative requirements of the WIA. The CRD also conducts on-site reviews of the WIA 15 Percent and 25 Percent discretionary funded projects. These projects are monitored on a sample basis based on the level of risk as determined by the amount of the award and historical data such as operational experience and prior noncompliance issues. The State uses a Nondiscrimination and Equal Opportunity Self-Evaluation process to monitor for compliance with WIA Section 188 and 29 CFR Part 37 equal opportunity and nondiscrimination provisions. In addition, the EDD's Equal Employment Opportunity Office conducts reviews of selected One-Stop sites.

The EDD's CRD administers the self-assessment tools and performs desk reviews of the completed self-assessments to determine if the responses demonstrate compliance with federal requirements. Reports are issued to the Local Areas identifying concerns, for which Local Areas must submit corrective action plans. These corrective action plans are then tracked by the CRD for implementation. For

each of the ten Local Areas selected for review, a representative sample of their One-Stop Career Centers will also be selected for review.

Finally, representatives from the EDD's JS Division, Fiscal Programs Division, and Unemployment Insurance Branch (UIB) review the Trade Program. The agreed-upon process includes a review of paper documents pulled on a random schedule; UIB documented review results issued to the JS Division; and, if responses warrant corrective action, the JS Division follows up with a corrective action plan. This review is performed on a quarterly basis and is part of the mandatory DOL tripartite review process.

*J. Grievance Procedures. (§§122(g) and 181(cc).) Attach a copy of the State's grievance procedures for participants and other affected parties (including service providers.)*

The State issued [WIAD03-12](#), *Grievance and Complaint Procedures* on April 14, 2004. This directive provides guidance to Local Areas and subrecipients of the WIA Title I grant funds in the development, maintenance, and implementation of local-level grievance and complaint procedures. These procedures cover complaints alleging non-criminal violations of the requirements of the WIA in the operation of local WIA programs and activities. It also transmits policy governing WIA Title I related grievance and complaint procedures at the State level.

*K. Describe the following State policies or procedures that have been developed to facilitate effective local workforce investment systems (§§112(b)(17)(A) and 112(b)(2).)*

*1. State guidelines for the selection of One-Stop providers by local boards;*

Due to diverse economic, demographic, geographic, and political composition of California's 50 Local Areas, the State Board has left decisions on the choice of One-Stop Operators to each of the 50 Local Boards. The Local Boards follow the guidelines in the WIA Section 121 (d) (1 & 2) in selecting their One-Stop Operators. The State provided technical assistance on the selection of One-Stop Operators via State and local-level workshops, early WIA implementation policy adopted by the original One-Stop Task Force, and an implementation team of grant managers to assist with One-Stop system-building.

*2. Procedures to resolve impasse situations at the local level in developing (MOUs to ensure full participation of all required partners in the One-Stop delivery system;*

California has attempted to avoid impasse situations by addressing the primary source of disagreement regarding finalization of MOUs (i.e., agreements regarding funding of One-Stop operational costs). The State has:

- Encouraged local participation in the DOL's training seminars on One-Stop financial management;
- Promoted DOL-contracted technical assistance focused on this subject;
- Provided assistance with local negotiations through EDD's Regional Advisors;

- Surveyed local and State entities regarding the issues preventing resource sharing agreements; and
- Attempted to work with local partners and DOL to find alternative approaches to resource sharing.

In order to ensure that Local Areas comply with the notification and sanction provisions specified in 20 CFR 662.310 (b) and (c), the State issued a directive that reminds Local Areas and their required One-Stop partners of their responsibility, in the event of non-signature of an MOU, to inform the State Board and the State agency responsible for administering the partner program. [WIAD05-06](#) provides the relevant State-level contact information. When State agencies are notified of an impasse situation, the EDD will convene a meeting with pertinent State and local partners to identify the underlying issues and attempt to facilitate a resolution to those issues. The directive also addresses the sanctions provided in the WIA regulations for failure to execute an MOU. The State also will ensure that future impasse notifications are conveyed to the DOL and other appropriate federal agencies.

Most Local Areas have participated in DOL training seminars on One-Stop financial management, while many have agreed to work with DOL contractors in an attempt to develop resource-sharing agreements. Despite these actions, many have yet to agree on and document how resources will be shared. For this reason, California continues to explore alternative approaches that might help resolve stalemates in some situations, provide better management information about One-Stop operational costs, and that are consistent with good business practices, sound accounting principles, the WIA, and Office of Management and Budget (OMB) cost circulars. California will continue to work with the DOL in pursuing the development of a viable alternative approach so that the State can ensure full participation of partners in the One-Stop system.

3. *Criteria by which the State will determine if local Boards can run programs in-house;*

The State published the policy and procedures for Waiver of Training Prohibition to the Local Boards in February 2000. The policy prohibits Local Boards from providing training services for adults and dislocated workers without a written waiver from the Governor. Local Boards may provide training services only for a specific training program, such as welding. Blanket waivers to provide training services are not granted, except under extraordinary circumstances.

The following describes the minimum information required to request a training waiver:

- Program of Training – The Local Board must specify the training program for which the waiver is requested. All requests for training waivers must include the local WIA plan.
- Insufficient Providers – Evidence of insufficient number of eligible providers of such a program of training services to meet local demand in the Local Area.

- Eligible Training Provider – Evidence that the Local Board meets the requirements for an eligible provider of training services under the WIA Section 122 and established State policies.
  - Demand Occupation – Information that the program of training prepares participants for an occupation that is in demand within the Local Area.
  - Public Comment – The Local Board has made the waiver request available for a public comment period of not less than 30 days.
  - Copies of Comments – Copies of public comments received during the public comment period must accompany the waiver request.
  - The waiver request must be signed by the CEO or designated representative and submitted to the State Board.
4. *Performance information that on-the-job training and customized training providers must provide;*

As allowed under the WIA Section 122(h)(1), the Governor has excluded OJT and customized training providers from the requirements of the ETPL. The Governor has not established separate data collection requirements for these providers.

5. *Reallocation policies;*

In California, the policy for the reallocation of WIA funds is provided to Local Areas through written directives issued by the EDD. These directives provide background for the reallocation requirements of the WIA and provide examples and instructions on the recapture and reallocation processes. These directives also address the effects the recapture of funds will have on the administrative funds maintained in the Local Area.

6. *State policies for approving local requests for authority to transfer funds (not to exceed 20%) between the Adult and Dislocated Worker funding streams at the local level;*

California's policy for the transfer of WIA funds (not to exceed 50 percent) between the Adult and Dislocated worker funding streams was established based on a series of TEGLs issued by the DOL, as well as DOL approved waiver that allows transfer of up to 50 percent of the funds. In accordance with these TEGLs and the approved waiver, the EDD has issued a directive ([WIAD06-11](#)) to the Local Areas advising them of the latest policy and procedures required for administering or requesting a transfer between the two funding streams.

7. *Policies related to displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, disabled individuals and others with multiple barriers to employment and training;*

The State policy, issued in California's *WIA Title I Eligibility Technical Assistance Guide*, gives authority to Local Boards to develop and implement local policy guidance, procedures, and definitions targeting services to special participant populations such as displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, and others with multiple barriers

to employment and training. The local policy must be consistent with State and federal policy. Limitations on funding may also require that Local Boards establish policies regarding priority of service to specific population groups within the low-income and public assistance recipient categories. Such priority of service policy is included in local plans.

The State has additionally developed specific policy and initiatives for some of the groups to which the question refers. For example, the EDD and CDE collaborated on an information bulletin, [WIAB03-46](#), that provides information about Adult Education and Family Literacy program providers at the local level. Other examples include ensuring that persons with disabilities have equal access to information and services funded by WIA Title I programs and its partners through the following policy directives:

- [WIAD01-21](#), *Nondiscrimination and Equal Opportunity Procedures*, that establishes the State's policy on the nondiscrimination and equal opportunity procedures for WIA Title I financially assisted programs or activities;
- [WIAD02-15](#), *Physical and Program Access Self Assessment*, that communicates the requirements regarding compliance with State and federal disability laws and procedures for ensuring accessible physical environments for all customers, including individuals with disabilities; and
- [WIAD00-7](#), *Standards for Oversight and Instructions for Substate Monitoring*, that transmits the general standards for the Local Boards' oversight responsibilities pertaining to WIA Title 1 funded programs.

Another general State policy is to develop and support public/private partnerships to increase coordination of efforts that assist older workers and other special populations. For example, the EDD established a Senior Worker Advocate Office (SWAO), which is required to develop partnerships to facilitate the employment of older workers. The SWAO works with the One-Stop Career Centers, the Senior Community Service Employment Program (through California's Department of Aging), area Agencies on Aging, adult education, and community colleges to improve access for older adults to help them obtain the support services and training they need to remain in or to re-enter the workforce. Some of the partnerships/activities supported by the SWAO include: employment assistance referrals; job development; Older Worker Week Job Fairs; One-Stop staff training; California Career Planning; and Experience Unlimited Job Clubs.

8. *If you did not delegate this responsibility to local boards, provide your State's definition regarding the sixth youth eligibility criterion at section 101(13)(C)(iv) ("an individual who requires additional assistance to complete an educational program, or to secure and hold employment"). (§§ 112(b)(18)(A) and 20 CFR 664.210).)*

The State delegates the responsibility to Local Boards to define the sixth youth eligibility criterion in their local WIA plans based on local needs.

**IX. Service Delivery -- Describe the approaches the State will use to provide direction and support to local Boards and the One-Stop Career Center delivery system on the strategic priorities to guide investments, structure business engagement, and inform service delivery approaches for all customers. (§112(b)(17)(A).) Activities could include:**

*A. One-Stop Service Delivery Strategies: (§§112(b)(2) and 111(d)(2).)*

*1. How will the services provided by each of the required and optional One-Stop partners be coordinated and made available through the One-Stop system? (§112(b)(8)(A).)*

California's ongoing planning process has included extensive discussions with One-Stop representatives and State- and local-level One-Stop partners. A recurring issue in these discussions has been that State-level agency coordination is a matter vital to ensuring the statewide One-Stop Career Center System maintains the necessary mix of partner programs and services that meet the needs of workers and businesses throughout the State. Better coordination of partner programs at the State level is necessary to minimize local barriers to program coordination and integration, and to maximize the use of public resources. This is consistent with the Governor's key priorities for California's public workforce system, which include:

- Improving State and local government partnerships to maximize the use of public and private resources and to direct savings into improved and expanded services such as workforce training; and
- Increasing State and local partnerships and linkages between the education, workforce, and economic development systems.

Along with better State-level coordination, the State Board is taking steps to ensure that California's network of local One-Stop systems focus on services rather than programs in addressing the needs of workers and of businesses. Included in these steps are:

- Providing local planning guidance that assists Local Boards in facilitating linkages among partner programs and systems;
- Ensuring State- and local-level accountability by guiding outcome-based linkages among partner programs and systems;
- Developing cost sharing options and service integration strategies that will optimize the administrative expenditures of WIA funds while better supporting One-Stop infrastructure and expanded business services and training; and
- Implementing the State-level One-Stop Certification process that establishes quality standards for services through California's One-Stop Career Centers.

*2. How are youth formula programs funded under (§128(b)(2)(A).) integrated in the One-Stop system?*

In California's locally driven workforce system, the Local Boards, in partnership with their local youth councils, develop and enhance relationships with local

agencies and service providers to ensure that necessary services are available to eligible youth through their One-Stop systems. Local Boards are also encouraged to work in conjunction with their CEOs to appoint a comprehensive array of representatives from local youth service providers, parents, supportive service organizations, and other interested parties to their local youth councils.

All 50 of California's Local Boards have ensured that WIA Youth programs are integrated into their One-Stop systems. The degree of integration varies from Local Area to Local Area, as does the nature of integration. Some Local Boards have established stand-alone youth One-Stops, while others have integrated youth services into their comprehensive One-Stops. Youth services are also accessible through the One-Stop systems via Internet-based programs and effective information and referral between physical centers.

3. *What minimum service delivery requirements does the State mandate in a comprehensive One-Stop Centers or an affiliate site?*

Comprehensive One-Stop Career Centers in California provide access to a full range of services pertaining to employment, training, education, employer assistance, and guidance for obtaining other assistance. While the WIA requires One-Stop centers to provide specific services, California's Local Areas have the option to design programs and provide services, including services to businesses and employers that reflect the unique needs of their communities.

One-Stop centers use varied strategies in providing the appropriate services to meet the needs of their customers:

- Core Services are available and include, but are not limited to, labor market information, initial assessment of skill levels, and job search and placement assistance.
- Intensive Services are available to eligible unemployed individuals who have completed at least one core service, but have not been able to obtain employment, or employed individuals needing additional services to obtain or keep employment that will lead to personal self-sufficiency.
- Training Services are available to eligible individuals who have met the requirements for intensive services and have not been able to obtain or keep employment. Individual Training Accounts (ITA) are established to finance training based upon the individual's choice of selected training programs.

The following list represents standard One Stop Career Center services for job, education, and training seekers in California:

- Outreach, intake, and orientation;
- Initial assessments of skills, aptitudes, abilities, and need for support services;
- Program eligibility determination;
- Information on employment statistics, job vacancy listings, the ETPL, supportive services, and UI filing instructions;
- Resource room usage;
- Access to the Internet;



- Workshops and Job Clubs;
- Employment Plan development;
- Career counseling;
- Job Development and job placement;
- Work adjustment counseling and guidance;
- Comprehensive and specialized assessments;
- Case management;
- Short-term pre-vocational services;
- Post-employment counseling and guidance follow-up services;
- Occupational skills training;
- Workplace training and cooperative education programs;
- Private sector training programs;
- Skills upgrade and retraining;
- Entrepreneurial training;
- Job readiness training;
- Adult education and Literacy activities, alone or in combination with training; and
- Customized training.

4. *What tools and products has the State developed to support service delivery in all One-Stop Centers Statewide?*

California recognizes that its labor market information system is central to implementing a demand-driven workforce system. To support quality services through the local One-Stop systems, California provides a user-friendly labor market information system for use by job seekers, program administrators, economic developers, and researchers. This system provides print and on-line products, as well as personal services to ensure that the One-Stop Career Center System and its customers have the information they need. One-Stop Career Centers each have resource rooms that serve as the nexus of information delivery to customers. California encourages resource room operators in all of the comprehensive One-Stop Career Centers to make the primary workforce information website, [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov), the labor market information delivery system on the center's personal computers.

The EDD's LMID provides staff services through Local Labor Market Consultants and through a centralized call center. In October 2004, the LMID's out-stationed staff started an annual review of the electronic and print products available at each One-Stop Career Center's resource room. This annual review will help ensure that the One-Stop Operators understand the array of electronic and print labor market information products available to them and so they can easily guide customers through finding and using those materials.

Along with the website and the printed materials, the Local Labor Market Consultants offer first-line dissemination of labor market information and technical assistance to Local Boards and One-Stop centers, helping them understand the changing skill and economic needs in their communities. With this information, Local Boards are better prepared to meet the local employers' skill needs by funding training for occupations that are in high demand in that area. Without an



understanding of this industry/occupational data, the Local Boards are limited in their ability to measure the actual need.

The EDD provides many other Internet-based tools that support service delivery in and through all of California's One-Stop Career Centers. One such tool is CalJOBS<sup>SM</sup>, California's basic labor exchange system. Other examples are the best practices information, announcements of funding availability, special projects information, and access to information bulletins and directives through the EDD's WSD website.

Finally, the State Board's One-Stop Certification process includes an extensive resource guide that provides technical assistance to Local Boards in not only developing local certification processes but in improving service delivery through the application of the State's basic, quality criteria. The One-Stop Certification process is a new tool that, through implementation, will assist Local Board's in integrating and improving service delivery statewide.

5. *What models/templates/approaches does the State recommend and/or mandate for service delivery in the One-Stop Centers? For example, do all One-Stop Centers have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every One-Stop Center? Are all One-Stop Centers required to have a resource center that is open to anyone?*

A template that the State has used throughout WIA implementation for guiding service delivery in the One-Stop Career Centers is the *WIA Title I Eligibility Technical Assistance Guide*, which was originally developed by a team of State and local partners. This guide, which is updated as necessary, provides State policy as well as blank sections in which Local Boards can insert more specific local policy. The State also provided extensive guidance to Local Areas when they were initially developing their One-Stop systems prior to the WIA, as well as a re-issuance of that guidance during the implementation of the WIA. As one result of these system-building efforts, all comprehensive One-Stop Career Centers have resource rooms, although they are not required.

During the current two-year period of the State Plan, the State Board has completed work, in collaboration with State and local partners, on a new State-level One-Stop Certification process. This process is being implemented beginning January, 2007, and is both voluntary and based on quality and incentives, with Local Boards certifying their own One-Stop centers along State standards and guidelines. This system will provide new guidance and a basic level of uniformity throughout the statewide One-Stop Career Center System, which the State Board expects will result in standardization in the following areas of service delivery:

- Basic criteria for One-Stop facility features;
- Basic resource area criteria (e.g., accessibility);
- Basic service criteria for employers and job seekers;
- Basic criteria for collaboration with mandated partners;
- Basic and expanded business services; and

- Guidance regarding common tools, such as individual assessments.

*B. Workforce Information – A fundamental component of a demand-driven workforce investment system is the integration and application of the best available State and local workforce information including, but not limited to, economic data, labor market information, census data, private sources of workforce information produced by trade associations and others, educational data, job vacancy surveys, transactional data from job boards, and information obtained directly from businesses. (§§111(d)(8), 112(b)(1), and 134(d)(2)(E).)*

- 1. Describe how the State will integrate workforce information into its planning and decision-making at the State and local level, including State and local Boards, One-Stop operations, and case manager guidance.*

California's workforce information system offers a wide range of information and support to the State and Local Boards, One-Stop Operators, and case managers to support planning and decision-making. On an annual basis, the LMID provides PIPs that deliver State and local social, economic, and demographic data to the State and Local Boards. These PIPs help workforce organizations identify target group needs and make appropriate resource allocations for employment and training activities. In addition, on an "as requested" basis, the State's labor market information program provides Local Areas with employment, census, and/or labor force data to facilitate more specific planning or economic development needs. This includes customized data runs, maps, and local consultation services.

- 2. Describe the approach the State will use to disseminate accurate and timely workforce information to businesses, job seekers, and employment counselors, in easy to use formats that are readily accessible within One-Stop Career Centers and at remote locations such as libraries, schools, worksites, and at home.*

California's workforce information system offers user-friendly on-line, in print, and personal support services to assist customers, including businesses, job seekers and other professionals such as employment counselors, regardless of the setting. The LMID's website provides all available workforce information to customers on-line, 24/7, regardless of one's setting. To make it easier for people to use the site, customer-based portal pages point people to the information they typically need, thus limiting "information overload." The LMID has designed special portal pages for economic developers, schools, workers, businesses, job seekers, researchers, workforce partners, and EDD staff.

The LMID provides personal support for using any of its products and services through their Local Labor Market Consultants situated throughout the State, as well as through a centralized public information call center that responds to telephoned or e-mailed information requests. Analyses and interpretations of data are available in print and/or on-line publications and articles that can be easily downloaded and printed. Regardless of one's location or information need, workforce information is readily available to facilitate informed decisions.

- 3. Describe how the State's Workforce Information Core Products and Services Plan is aligned with the WIA State Plan to ensure that the investments in core products*

*and services support the State's overall strategic direction for workforce investment.*

The LMID has aligned California's Workforce Information Core Products and Services Plan with the current 5-Year Strategic Plan, supporting the overall strategic direction for workforce investment. The grant plan was designed, as well, to respond to the State Board's strategic direction, in which workforce information was a primary goal. Workforce information is the key to supporting informed choice in the workforce system. The State's core products and services are directly responsive to the needs of the workforce system and the State will:

- Continue to populate the ALMIS database – the database is the back end to a comprehensive workforce information website, ensuring the most current and relevant information is available to customers via the Internet;
  - Produce and disseminate short- and long-term industry and occupational employment projections – projections reflect industry and occupational trends, essential to career and program planning;
  - Provide occupational and career information products for public use – targeted career research currently underway and sponsored by this grant supports business' recruitment efforts, and workforce developers' training program planning, and is specifically focused on occupations in High Growth Job Training Initiative industries;
  - Ensure workforce information and support – this portion of the grant provides a wide range of products and services endorsed by the State Board, including public information services; customer outreach and marketing; labor market research; collecting and delivering employment data not sponsored by the BLS – agricultural and small counties; and providing geographic information system services;
  - Maintain and enhance Internet delivery systems – supports development and maintenance of three customer focused Internet web sites: [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov), [www.calmis.ca.gov](http://www.calmis.ca.gov) and [www.worksmart.ca.gov](http://www.worksmart.ca.gov), as well as one intranet website. In addition, the staff involved in these delivery systems support a customer database that is maintained on the intranet; and
  - Support state workforce information training activities – provides customized training and consultation as needed, as well as customer focused portal pages and an on-line website tour.
4. *Describe how State workforce information products and tools are coordinated with the national electronic workforce information tools including America's Career Information Network and Career Voyages.*

California's workforce information websites include articles about the national tools as well as links to *ACINet*, *Career Voyages*, and *America's Job Bank*. In addition, California has developed a marketing brochure, *Tools for Career Exploration*, which lists and describes local, State, and national career tools in an attractive matrix that is available both in print as well as a linked version on-line. The national tools are highlighted on this product.

### C. Adults and Dislocated Workers

#### 1. Core Services. (§112(b)(17)(a)(i).)

- a. *Describe State strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2).*

An important State strategy that ensures universal access for all adults and dislocated workers to required core services through the local One-Stop systems has been to make core services, such as Wagner-Peyser services, increasingly available through self-access, principally as Internet-based programs. California is also improving universal access by recommending policies to promote awareness and identification of the One-Stop Career Centers, including developing a way to uniformly identify One-Stop systems and centers.

In response to AB 925, the Governor's Committee has assumed a policy advisory role within State government. Staffed by the EDD's WSB, the Governor's Committee focuses on policy and program needs that ensure that people with disabilities have access to public workforce system services that enable them to gain and retain employment. To that end the Governor's Committee developed the *California Comprehensive Strategy for the Employment of People with Disabilities* (Strategy), the first state plan of its kind to move toward better integration of employment support and employment services. The Strategy (available at <http://www.edd.ca.gov/gcepdind.asp>) was approved by California's Secretaries of the LWDA and the CHHSA in January 2006. One of the Strategy's goals is to ensure that the State Board and local One-Stop Career Centers promote universal access in order to achieve full compliance with State and federal laws and to increase employment of people with disabilities.

Moreover, as described in other areas of the State Plan, California has taken various measures to ensure universal access to One-Stop services, such as conducting Farm Worker Forums, facilitating and advocating for the integration of community-based organizations, and local piloting of universal access tracking. These efforts will continue, and the other described strategies will be pursued, as California further develops a demand-driven system by ensuring that all Californians having access to One-Stop universal, core services and are placed in jobs in industries vital to California's economy.

- b. *Describe how the State will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act include (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service, and are accessible and available to all customers at the local level.*

California designed its core service delivery system around the three-tiered service delivery strategy. The EDD's JS ensures the strategy by co-locating where the majority of customers do business and by improving automated systems such as CalJOBS<sup>SM</sup>, California's job-opening matching system. The

JS actively promotes and markets the option of self-service to all customers. This allows JS staff to work in One-Stop resource rooms to provide facilitated self-help, and to conduct group workshops where customers have access to facilitated or staff-assisted service. Staff-assisted service is available to anyone that is unable or unwilling to use self-service. In addition, the JS supports bilingual staff to provide translation assistance to anyone with limited English skills, including deaf and hard of hearing. The service is available either in-person or by telephone.

- c. *Describe how the State will integrate resources provided under the Wagner-Peyser Act and WIA Title I for adults and dislocated workers as well as resources provided by required One-Stop partner programs, to deliver core services.*

The EDD's JS integrates labor exchange activities with WIA Title I services by strategically locating service points in at least a single comprehensive One-Stop Career Center in each Local Area, and in affiliated One-Stop locations based on community need. Rents and leases are negotiated (based on local need, local resource sharing agreements, and memoranda of understanding) with Local Boards and partners to document specific provisions of service. The agreements define the roles and responsibilities of partners, identify joint planning for the provision of services to common customers and development of projects that serve identified community needs, and ensure coordination of employer job identification efforts.

JS Field Managers, Regional Administrators, and Division Chiefs are authorized to participate on Local Boards and to act as One-Stop Career Center Operators. This helps to ensure the integration of Wagner-Peyser Act services into the local systems. In addition, this JS leadership helps to address other issues related to system integration, collaborative marketing, capacity building, services and staffing, accountability, universal access, and administrative decisions.

2. *Intensive Services. (§112(b)(17)(a)(i).) Describe State strategies and policies to ensure adults and dislocated workers who meet the criteria in §134(d)(3)(A) receive intensive services as defined.*

California's Local Boards all provide employment and training activities as required under WIA sections §134(d)(3)(A). The statewide provision of intensive services is built on the principle of informed customer choice and provides an opportunity for customers to make informed choices about services available, allowing access to the full range of education, training, and employment services. Local Boards follow the *WIA Title I Eligibility Technical Assistance Guide*, issued by the EDD to guide the provision of core, intensive, and training services. The EDD also provides training and technical assistance to all Local Areas and One-Stop centers that require it. Finally, the State Board develops and issues separate guidance, as necessary, such as a WIA information bulletin that clarified the provision of intensive and training services to farm workers as Dislocated Workers.

3. *Training Services. (§112(b)(17)(A)(i).)*

- a. *Describe the Governor's vision for increasing training access and opportunities for individuals including the investment of WIA Title I funds and the leveraging of other funds and resources.*

The Governor's overall vision for California's workforce system, as described in Section I, includes the requirement for the State and Local Boards to improve at:

- Targeting resources to areas with the most economic impact; and
- Achieving a more efficient use of public and private resources.

Both of these improvements will have an influence on training access and opportunities for Californians. The Governor has already directed the use of WIA 15 Percent Discretionary funding to increase training access and opportunities for individuals in the three areas of high-wage, high-growth occupations; advancing workers with barriers to employment; and industries with statewide labor shortages. By investing discretionary funding in these areas critical to California's economy, the Governor is stimulating similar investments at the local level. Investments of WIA 15 Percent Discretionary funds through SFPs, for instance, have enhanced partnerships between One-Stop systems, Local Boards, regional and community organizations, labor organizations, industry or employer associations, employers, and educational institutions.

More effective partnerships of this type can result in value-added resource leveraging. Local Boards and their One-Stop centers are well positioned to convene industry and employer associations, employers, and training entities to best identify current and future employer or industry skill needs in the Governor's three priority areas, to develop relevant training curriculum, and to leverage funding. One-Stop systems connect individuals to relevant and cost effective education, training, and supportive services opportunities by leveraging resources through partnerships. Using the knowledge gained from the partnerships, One-Stop providers help individuals to access the various sources of training and support services.

The Governor supports the national goal of directing more funding to training by identifying and implementing administrative and program efficiencies at both the State and local levels. California's goal is to optimize the number of individuals trained in occupations that are in demand by industries that are vital to California's economy. The State Board will explore other innovative recommendations, particularly as they relate to the development of high-wage, high-growth jobs and the redirection of funding into training services over the course of the next two years of WIA implementation in California.

An example of this is the California Nurse Education Initiative. In the 2004-05 State budget, the Governor made the nurse shortage a priority for WIA funds and began issuing grants through the EDD. By partnering with CCCCCO and the private sector, the Governor's Nurse Education Initiative will leverage these grants to provide a total of \$18 million a year in funding for nursing education

over five years, for a total of \$90 million. These funds are in addition to the \$13 million in grants the Governor awarded to local workforce development organizations, educational institutions, and community-based organizations for nurse education earlier this year.

These objectives will expand California's capacity and effectiveness in training the current and future workforce. In addition, California's workforce-related departments and agencies will optimize coordination and communication, and strategically share and invest their resources to eliminate duplication and waste at both the State and local levels.

*b. Individual Training Accounts:*

- i. What policy direction has the State provided for ITAs?*
- ii. Describe innovative training strategies used by the State to fill skills gaps. Include in the discussion the State's effort to broaden the scope and reach of ITAs through partnerships with business, education, economic development, and industry associations and how business and industry involvement is used to drive this strategy.*
- iii. Discuss the State's plan for committing all or part of WIA Title I funds to training opportunities in high-growth, high-demand and economically vital occupations.*
- iv. Describe the State's policy for limiting ITAs (e.g., dollar amount or duration)*
- v. Describe the State's current or planned use of WIA Title I funds for the provision of training through apprenticeship.*
- vi. Identify State policies developed in response to changes to WIA regulations that permit the use of WIA Title I financial assistance to employ or train participants in religious activities when the assistance is provided indirectly (such as through an ITA) (20 CFR § 667.266(b)(1).)*

California's demand-driven workforce investment system provides for maximum local flexibility in the administration of ITAs. This affords Local Boards control over determining their training needs based on local business and industry input. Each Local Board is responsible for developing their policies pertaining to:

- Limiting the dollar amount or duration of ITAs, and
- Identifying the appropriate occupational training.

Local flexibility over ITAs has produced innovative local training programs such as the Orange County Workforce Investment Board's pre-apprenticeship training program. This training program was developed to prepare hard-to-serve, financially challenged clients (e.g., former welfare recipients) for placement in apprenticeship training programs.

The State Board will continue to ensure the development of innovative strategies that address local and national concerns that are consistent with State law. Strategies implementing ITA funding will also ensure that public funding is administered for the maximum benefit of clients without religious influences. The State Board has not developed policy regarding the use of

WIA funds to employ or train participants in religious activities, but will explore this issue and develop and publish guidance within the next six months.

- c. *Eligible Training Provider List. Describe the State's process for providing broad customer access to the statewide list of eligible training providers and their performance information including at every One-Stop Career Center. (§112(b)(17)(A)(iii).)*

To ensure maximum public access and full support to the One-Stop Career Centers for both employers and job seeker customers, [California's ETPL](#) is available through the Internet. This is a full public access site. Customers interested in training information may quickly search the list by provider or program name, community location, and occupation. Also, for easy access, the ETPL site includes a sub-list of WIA-approved apprenticeship programs. Changes to the system are transferred to the Internet site from the JTA system daily, on an as-needed basis.

- d. *OJT and Customized Training (§§112(b)(17)(A)(i) and 134(b).) Based on the outline below, describe the State's major directions, policies and requirements related to OJT and customized training.*
- i. *In a narrative format, describe the Governor's vision for increasing training opportunities to individuals through the specific delivery vehicles of OJT and customized training.*
- ii. *Describe how the State:*
- *Identifies OJT and customized training opportunities;*
  - *Markets the concept as an incentive to untapped employer pools including new business to the State, employer groups;*
  - *Partners with high-growth, high-demand industries and economically vital industries to develop potential OJT and customized training strategies;*
  - *Taps business partners to help drive the strategy through joint planning, competency and curriculum development; and determining appropriate lengths of training, and*
  - *Leverages other resources through education, economic development and industry associations to support OJT and customized training ventures.*

The State itself does not conduct any of the activities for OJT and customized training described in these questions. California's workforce system is locally driven and community-based, and the identification, leveraging, and marketing of OJT and customized training opportunities are activities in which Local Boards engage. The State, however, provides guidance to Local Boards, as needed, on the various aspects of OJT and customized training.

One of the Governor's priorities for the workforce system, however, is to direct more public and private resources into training services. Optimizing the use of OJT and customized training is one method of achieving that priority. Consequently, the State Board will develop policy guidance for



Local Boards, based in part on local innovation, regarding OJT and customized training in an effort to:

- Expand partnerships with the private sector to identify OJT and customized training opportunities;
- Market this concept to employers to remain in California or for those employers planning to move here;
- Employ business partners to drive strategies to develop local OJT and customized training programs; and
- Perform resource mapping to identify resources that can be leveraged to develop and expand OJT and customized training programs locally.

As an initial step in these strategies, the State Board submitted two waiver requests to the DOL in 2006 that pertain to OJT and customized training. The two requests were granted by the DOL in late 2006. The first allows Local Boards to use up to 10 percent of their local formula funds for incumbent worker training. The second allows Local Boards to apply a sliding scale of 10 to 50 percent for the customized training match required of businesses. Information on implementing these waivers was distributed in 2006 via [WIAD-06-11](#). The State is requesting, in Section X. of this plan that both of these waivers be expanded to afford more flexibility to Local Boards and extended through the life of the revised State Plan.

4. *Service to Specific Populations. (§112(b)(17)(A)(iv).)*
- a. *Describe the State's strategies to ensure that the full range of employment and training programs and services delivered through the State's One-Stop delivery system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals such as migrants and seasonal farm workers, women, minorities, individuals training for non-traditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, people with limited English-speaking proficiency, and people with disabilities.)*

Effective Local Boards and their local One-Stop service delivery systems are central to ensuring that California's business and industry have access to an appropriately and continuously prepared workforce. They do so by assisting the State's diverse population in obtaining information about, and preparing for and accessing occupations that are in demand and in industries that are vital to California's economy. The State's demographic diversity is among its greatest assets, yet such diversity presents unique challenges that often result in barriers that may exclude many segments of the population from achieving self-sufficiency.

California has numerous strategies in place to address these challenges. For instance, the Governor's Committee has been charged through State legislation with the leadership responsibility of developing a comprehensive strategy to bring adults with disabilities into gainful employment at a rate equal to the general population. Another example is that California has examined strategies to enhance outreach and services to Migrant Seasonal Farm Workers (MSFW).

The Farm Worker Forums that the State conducted in partnership with the DOL Region 6 were held in response to concerns raised by the members of the Western Alliance of Farm worker Advocates. A primary concern was that farm workers were not being afforded the full range of services available through the local One-Stop systems.

The result of the forums was a report that provided program design recommendations to ensure that farm workers have access to the broad mix of services and partners available through the One-Stop systems. These recommendations included the recommendation that Local Areas assess their current program to determine if they meet the needs of the local community, such as:

- Services for workers with limited English proficiency (e.g., bilingual staff, printed materials in languages other than English, English as a Second Language, and Vocational English as a Second Language resources);
- Outreach methods;
- Transportation (e.g., location of One-Stop sites, mobile services);
- Helpful, cross-trained staff; and
- Hours of operation.

The Farm workers Forums report was disseminated to all Local Areas by the EDD in an Information Bulletin and posted on the State Board's website. Additionally, in order to ensure that farm workers have access to the comprehensive services through the One-Stop systems, the State implemented the following strategies:

- Co-enrollment was identified as a critical barrier to providing services to MSFWs and the integration with farm worker service providers, which was addressed in an information bulletin (WIAB 03-7); and
- The State Board and the EDD collaborated in issuing an information bulletin ([WIAB 01-81](#)) to clarify eligibility for MSFWs, who were erroneously being precluded from WIA Title-I Dislocated Worker services. This was also incorporated in the WIA Eligibility Technical Assistance Guide.

Other strategies California has implemented to meet the needs of MSFWs include:

- *La Voz del Campo (Voice of the Fields), a publication produced by La Cooperativa Campesina de California (La Cooperativa), a 167 partner, with the support of the EDD. La Voz del Campo is targeted to farm workers and provides information on agricultural issues, employment opportunities, crop activities, and federal and State services.*
- *Contracting with La Cooperativa using Wagner-Peyser funds to operate Guia de Campesino, a toll free Spanish-English telephone information system for farm workers in both English and Spanish.*
- *The EDD participates in joint outreach with operators funded under WIA section 167 to provide services to MSFWs. JS staff also join local WIA 167 staff in providing mobile outreach.*

- *The Public Service Project (PSP) provides for enhanced in-person services to EDD customers at every EDD public access service point. This assistance is provided by staff in JS, Tax Branch, and Disability Insurance Branch sites, as well as LMID staff co-located in JS sites. PSP customers are those who require assistance with an EDD program outside of staff's normal program responsibilities (e.g., EDD staff helping connect MSFW customers with questions and/or issues with staff who can assist them), and who require more than just general information.*

In January 2007, California experienced an extreme period of cold weather that had a devastating effect on the State's agricultural communities – their citizens, workers, and businesses. The Governor responded in advance of the predicted freeze by directing State agencies to activate extreme temperature protocols in place to assist the most vulnerable populations and communities. After identifying a state of emergency in 18 counties, the Governor's Office of Emergency Services coordinated federal, State, and local efforts (including a Presidential Disaster Designation for 31 counties) to assist an eventual total of 40 counties under various federal and State emergency assistance programs.

The Governor employed several important workforce-related strategies in responding to the freeze. One was to mobilize One-Stop Career Centers in the affected areas to assist unemployed workers with information and assistance for housing, health, food, and employment, including federal Disaster Unemployment Assistance. Another was to employ disaster assistance through both the U.S. Department of Agriculture and the U.S. Small Business Administration for small and large agricultural businesses. The Governor also provided funding for La Cooperativa to serve more than 4,500 people in several freeze damaged counties.

A final example of strategies the State uses to ensure access to services for people with barriers to employment is that the EDD, in accordance with Public Law 107-288, the Jobs for Veterans Act, issued an information bulletin ([WIAB02-94](#)) which established, among other requirements, that:

- Priority of service will be given to veterans and spouses of certain veterans, for the receipt of employment, training, and placement services in any job-training program directly funded, in whole or in part, by the DOL, notwithstanding any other provision of law;
- A comprehensive performance accountability system will be established and veterans' employment, training, and placement services will be reviewed annually;
- A program of performance incentive awards will be established to encourage the improvement and modernization of veterans' employment, training, and placement services, and to recognize employees for excellence in the provision of those services; and.
- The State will employ a sufficient number of disabled veterans' outreach specialists and local veterans' employment representatives.

The State Board has identified a number of additional strategies that the State and Local Boards will consider pursuing to improve both access and services to

those with significant barriers to employment and/or self-sufficiency. These strategies include:

- The State Board continuing to develop and provide guidance to Local Boards on prioritizing services (e.g. business services, skills training) in their One-Stop systems;
- The LWDA and the State Board, in collaboration with Local Boards, exploring WIA administrative, infrastructure, and core services costs in the Local Areas through the One-Stop cost study. Results will assist the State Board in identifying any economies of scale and administrative and programmatic savings that could support expanded business and training services. These savings may be achieved by implementing strategies such as the regional planning provision in the WIA, and/or new and more effective cost-sharing methodologies, and/or better integration of partner services in the One-Stop systems, and/or the consolidation and reduction in the number of Local Areas;
- The State and Local Boards exploring the development of new incentives for employers hiring specific segments of the population such as at-risk youth and ex-offenders;
- The State Board developing guidance on collaborating more effectively with Adult Education and Family Literacy Program providers and other education partners to address literacy barriers among California's workers;
- The State Board developing guidance for Local Boards on balancing the investment of shrinking resources into business services, supportive services, and training services; and
- The State and Local Boards exploring capacity building efforts at both the State and local levels and recommending ways to increase investments in building the capacity of One-Stop staff in providing services to special populations such as persons with disabilities and ex-offenders.

b. *Describe the reemployment services you will provide to unemployment insurance claimants and the Worker Profiling services provided to claimants identified as most likely to exhaust their unemployment insurance benefits in accordance with section 3(c)(3) of the Wagner-Peyser Act.*

All unemployment insurance claimants are provided general information about CalJOBS<sup>SM</sup>, the State's Internet-based labor exchange system, through which they can search for jobs from over 1.8 million listed annually. Employers can also view claimants' résumés and directly contact them for interviews. Claimants are also provided information about job seeker services and contact information for the nearest One-Stop Career Center, where they can engage in job seeking activities independently or with staff assistance.

In addition, the JS4UI program ensures that all claimants with A and A/B seek work plans receive a separate mailing after they have filed for benefits. The mailing informs the claimant that a starter record has been created for them in CalJOBS<sup>SM</sup> and provides additional job search information. These claimants are also notified of the requirement to register for work and to post a résumé in CalJOBS<sup>SM</sup> within 21 days. Those not meeting the 21-day timeframe may be

randomly selected to participate in a Personalized Job Search Assistance (PJSA) interview, at which time they will receive other services designed for reemployment. The PJSAs are scheduled during the fifth week of the claim.

UI claimants most likely to exhaust their benefits are provided reemployment services through the Worker Profiling and Reemployment Services program. A comparison is done between the characteristics of UI claimants and a statistical model to determine the likelihood of exhausting their benefits. Those profiled as most likely to exhaust their benefits are scheduled to an Initial Assistance Workshop (IAW) that serves as an orientation to reemployment services. Enhanced services are provided to profiled claimants who attend the IAWs. An Individual Reemployment Plan (IRP) is completed during these workshops.

The IRP facilitates referrals to other reemployment services and is considered an agreement between the claimant and the state. The JFW is a short meeting scheduled four to eight weeks after the original IAW session and gives those claimants still not employed, or those in approved training another opportunity to evaluate their reemployment needs. Claimants who choose a self-directed work search reemployment plan are referred to a job focus workshop (JFW) to assist them in using Internet websites to:

- Search for jobs that are best suited for their skills, knowledge, and abilities;
- Gain access to and learn how to use labor market information;
- Learn what transferable skills they possess;
- Select appropriate occupations to pursue; and
- Improve interviewing techniques, résumé writing, and other job search skills.

Through the UI Reemployment Services (RES) grant, claimants not scheduled for an IAW session can be selected to participate in a PJSA interview. RES grant funds allow for the provision of this service to approximately 140,000 claimants per year.

Finally, the California UI Reemployment and Eligibility Assessment (REA) Grant proposal has been funded by the DOL for \$1.9 million to test a model that provides REA services to UI recipients by trained UI staff in the One-Stop Career Centers. The pilot will assess whether intensive REA services expedite an early return to work and therefore results in a reduction in UI expenditures. Under this grant, 120,000 UI claimants will be scheduled for this service.

- c. *Describe how the State administers the unemployment insurance work test and how feedback requirements (under §7(a)(3)(F) of the Wagner-Peyser Act) for all UI claimants are met.*

California's JS4UI project was designed to meet the work test requirements by increasing the provision of reemployment services to UI claimants and improving the linkages between the UI and JS programs. Data are collected from claims filed through the claim filing process. All UI claimants who file a claim receive a letter requiring them to register for work in CalJOBS<sup>SM</sup>. To

assist claimants in the résumé process, starter records are created for them. The letter advises the claimant that he/she has 21-days to comply and complete a résumé in CalJOBS<sup>SM</sup>.

If claimants do not enter résumés in CalJOBS<sup>SM</sup> within the 21-day period, they are scheduled for the PJSA. During the PJSA process, UI claimants are asked if they have been actively seeking work and the reason(s) for not completing a résumé in CalJOBS<sup>SM</sup>. The claimant provides his/her most recent job search information. If eligibility issues arise in the process of the interview, a manual stop-pay flag is entered on the UI claim record with a detailed note of the claimant's issue.

If the claimant (who has received a UI payment) fails to complete a résumé in CalJOBS<sup>SM</sup> by the allotted time (Friday of the week of their PJSA), a stop pay flag is set on his/her UI record and a determination for eligibility is scheduled. If the claimant calls the JS office and makes a statement that he/she will not be able to attend the PJSA due to a vacation, or any other eligibility issue, a stop-pay flag is manually entered on the UI record with a detailed note explaining the issue.

If the claimant does not show to the PJSA and does not call, there is an automated process that sweeps the CalJOBS<sup>SM</sup> database to check if the claimant entered a résumé. If the indicator is "no" then a stop pay flag is automatically set.

The EDD has been working collaboratively with DOL Region 6 staff in developing a process for performing follow-up on job referrals of UI claimants. The process will utilize automated capability and processes already in place to the maximum degree possible.

Services provided to UI claimants include job search and placement services through the CalJOBS<sup>SM</sup>, which is the primary job matching strategy for the state. The EDD's JS provides its services in self-service, facilitated self-service, and staff-assisted service mode. Approximately 90 percent of California's job referrals are achieved through the self-service mode.

- d. *Describe the State's strategy for integrating and aligning services to dislocated workers provided through the WIA rapid response, WIA dislocated worker, and TAA programs. Does the State have a policy supporting co-enrollment for WIA and TAA?*

The formal written policies on 25 Percent Dislocated Worker funds require integration. The state is in the early stages of developing a comprehensive strategy for aligning its Rapid Response, Dislocated Worker, and TAA programs. At the local level, TAA Division Coordinators serve as liaisons to the Rapid Response and Dislocated Worker programs by participating in workshops, roundtable discussions, and other coordinated activities with local partners. At the State level, California is participating in the national DOL-sponsored workgroup that is working on this issue and will incorporate

recommendations when they are available. California's strategy will ultimately identify any required State program and policy revisions and abide by the principles of integrated system response at both the State and local levels. Additional efforts will be undertaken to develop a viable implementation plan for this strategy.

The State must ensure that Rapid Response assistance and appropriate core and intensive services are made available to those covered by the TAA program. The date that the TAA petition is received by the State may be used as the criterion for providing Rapid Response assistance. Under the Trade Act, applicants are assessed to determine if they are candidates for training and, if so, they are referred for co-enrollment in the Dislocated Worker program. The JS staff and other local partners may refer to the *Trade Act Co-Enrollment Technical Assistance Guide* and tailor the procedures to meet local needs. A feedback mechanism has been established between the CalJOBS<sup>SM</sup> labor exchange system and the UI systems by adding a "UI Indicator" to the CalJOBS<sup>SM</sup> registration record.

- e. *How is the State's workforce investment system working collaboratively with business and industry and the education community to develop strategies to overcome barriers to skill achievement and employment experienced by the populations listed in paragraph (a.) above and to ensure they are being identified as a critical pipeline of workers?*

As demonstrated by the CWA publication "Tuning In," California's workforce system has been transforming into a demand-driven system that is not only responsive to individual employers, but to entire industries. This is often in collaboration with education, as demonstrated by the collaboration among Genentech, the San Mateo County Workforce Board, and Skyline Community College to transition displaced airline workers into the Biotechnology industry.

California is further developing its demand-driven system framework by the strategy outlined in paragraph IX.C.4.a., which will require a strong collaboration with business and industry and the education community. For example, the strategies include a focus on addressing the literacy barriers of California's workforce, which will require an investment of resources and expertise from both the business and education communities.

- f. *Describe how the State will ensure that the full array of One-Stop services is available to individuals with disabilities and that the services are fully accessible?*

The Governor's Committee collaborates with and advises the State Board to ensure that the full array of employment and training programs and services are available and fully accessible to people with disabilities. Accessible services include:

- Outreach, intake, and orientation;

- Initial assessments of skills, aptitudes, abilities, and need for support services;
- Program eligibility determinations;
- Local, regional, and national labor market information;
- Information on filing for unemployment insurance; and
- Access to intensive services as needed.

The Governor's Committee provides a public venue to determine real solutions to the challenges that customers with disabilities, service providers, or the business community may encounter when attempting to access the full array of services within the local One-Stop systems. To meet these challenges, and to ensure consistency in policy and service delivery, all Governor's Committee meetings are open to the public and stakeholder input is not only invited but also encouraged. To ensure staff capacity and disability awareness, on-line training is available to Local Area front-line staff, Equal Opportunity Officers, and local partners charged with the responsibility of implementing WIA Section 188 non-discrimination and equal opportunity requirements, with an emphasis on those obligations related to serving people with disabilities.

The Governor's Committee and the EDD applied for and received four years of funding for Local Areas to hire and train disability program navigators. The navigators are responsible for:

- Helping customers with disabilities navigate through the system;
- Building strong local partnerships that include community-based organizations that serve people with disabilities; and
- Conducting outreach to employers to inform them of the availability of a skilled workforce.

In addition the EDD and the Governor's Committee applied for and received funds to help Social Security beneficiaries with disabilities succeed in their return-to-work efforts. The funding provides for a Community Work Incentives Coordinator to be housed in local One-Stop Career Centers in three Local Areas (Riverside, Sacramento, and San Diego Counties). These Coordinators will work hand-in-hand with the Disability Program Navigators in the next step in building the One-Stop Career Center infrastructure of services and supports that will assist individuals with disabilities in their return-to-work efforts.

- g. *Describe the role LVER/DVOP staff have in the One-Stop Delivery System? How will the State ensure adherence to the legislative requirements for veterans' staff? How will services under this Plan take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs? (§§112(b)(7), 112 (b)(17)((B); 322, 38 U.S.C. Chapter 41; and 20 CFR §1001.120).)*

The Secretary's Agreement, as specified by Veterans' Program Letter 3-99, will incorporate the following procedures:



- Through the One-Stop system, veteran customers may elect self-service, facilitated self-help, or staff-assisted one-on-one service. Most veterans are able to use the self-service systems and will self-identify as veterans to establish their eligibility for veterans' priority. The Local Veterans Employment Representative (LVER) and Disabled Veterans Outreach Program staff (DVOP) are available at One-Stop Career Centers to provide facilitated self-help or staff-assisted service to veterans who require additional assistance. LVER and DVOP staff screen veterans for potential barriers to employment and identify the need for additional services. At each One-Stop center, LVER and DVOP staff will raise veterans' issues, including efforts to expand information provided to veterans regarding available services. At the request of One-Stop partners, LVERs and DVOPs may also be assigned to other locations that serve large veteran populations; and
  - Case management services for veterans are customer-focused and customer-driven. These include referrals from the Department of Veterans Affairs Vocational Rehabilitation and Counseling system. Veterans are provided choices based upon need and the resources available to meet those needs. When necessary and when appropriate, customers will be assisted in accessing resources outside of the One-Stop systems.
- h. Department of Labor regulations at 29 CFR 3, require all recipients of Federal financial assistance from DOL to provide meaningful access to limited English proficient (LEP) persons. Federal financial assistance includes grants, training, equipment usage, donations of surplus property, and other assistance. Sub-recipients are also covered when Federal DOL funds are passed through from one recipient to a sub-recipient. Describe how the State will ensure access to services through the State's One-Stop delivery system by persons with limited English proficiency and how the State will meet the requirements of ETA TEGL 26-02, (May 29, 2003) which provides guidance on methods of complying with the Federal rule.*

California's Local Areas are subject to both federal and State requirements regarding non-discrimination and equal opportunity, which include equal access for persons with limited English proficiency (LEP). To ensure meaningful access to programs and services to LEP persons, the State issued [WIAD04-20](#), *Limited English Proficiency*, on May 12, 2005, that transmits policy and guidance on serving LEP individuals pursuant to Title VI of the Civil Rights Act of 1964, its implementing regulations, and Section 188 of WIA.

California Government Code Sections 7290-7299.8, the *Dymally-Alatorre Bilingual Services Act* (DABSA), mandates that when State or local agencies serve a substantial number of non-English-speaking people, they must employ a sufficient number of qualified bilingual staff in public contact positions and translate documents explaining available services in their beneficiaries' languages. The DABSA also requires State agencies to survey their customers on a biannual basis to review customer needs and update agency practices. The State requires that Local Boards review the DABSA when developing their local policies and procedures regarding services to LEP individuals.

The EDD also maintains a language directory of EDD staff, located statewide, who are fluent in languages other than English. These employees are available to provide translation services to all EDD offices. The language directory is available to local One-Stop Career Center staff; however many One-Stop Career Centers maintain their own lists of bilingual staff and partners, or they may contract for translation services. The EDD and local areas take all reasonable steps to provide services and information in languages appropriate to target and include notices and information required in 26 CFR Part 37.29, 37.30, and 37.34, among the items translated for LEP individuals.

In addition, [WIAD01-21](#), *Nondiscrimination and Equal Opportunity Procedures*, summarizes the federal and State requirements regarding non-discrimination and equal opportunity, and [WIAD00-7](#), *Standards for Oversight and Instructions for Substate Monitoring*, includes the requirements that subrecipients must be monitored for compliance of [WIAD01-21](#). The EDD's CRD monitors the Local Areas for compliance with the federal and State requirements.

- i. *Describe the State's strategies to enhance and integrate service delivery through the One-Stop delivery system for migrant and seasonal farm workers and agricultural employers. How will the State ensure that migrant and seasonal farm workers have equal access to employment opportunities through the State's One-Stop delivery system? Include the number of MSFWs the State anticipates reaching annually through outreach to increase their ability to access core, intensive, and training services in the One-Stop Career Center System.*

The State Board, in partnership with the DOL Region 6, conducted regional Farm Worker Forums to discuss One-Stop Career Center system barriers to serving farm workers. These forums evolved into discussions of the needs of the agricultural industry and the needs of the rural economies. The forums resulted in a report that provided information, technical assistance, and best practices regarding how One-Stop Career Centers can develop and maintain an accessible broad range of services that address the needs of farm workers and rural regions. The best practices addressed the following issues:

- Non-traditional hours of operation to serve working people;
- Need for the design of local One-Stop systems to reflect the needs of their local communities and industries;
- Need for enhanced community outreach by integrating the services of community-based-organizations into the One-Stops;
- Coordination of partners services to address literacy barriers in the immigrant workforce;
- Dislocation of workers in regional agriculture industries due to water issues or changes in the industry; and
- Targeting farm worker communities as an untapped pool of workers that can address workforce needs in other industries that are experiencing an unstable workforce pool.

All Wagner-Peyser Services are provided through the One-Stop Career Center system, which includes mainstream and outreach services to MSFWs as well

as mainstream employer services to agricultural businesses. The EDD's JS, for instance, provides migrant and seasonal farm workers with employment services equivalent to those provided to people who are not farm workers.

All JS One-Stop co-locations are staffed to provide assistance to farm workers and agricultural employers who are unfamiliar with the automated job listings systems and other on-line services, or who have language barriers. Selected JS co-locations in agricultural areas conduct outreach to farm workers to ensure that the job opportunities in the occupations they prefer are made available to them. The JS also works closely with the agricultural industry in California to help balance the supply of labor in areas with shortages. The EDD's JS Division projects 54,387 outreach contacts for Program Year 2005/06.

Agricultural employers often serve on Local Boards and on local Employer Advisory Councils to ensure that the workforce needs of the agricultural industry are met. As with services to migrant and seasonal farm workers, services to agricultural employers are integrated into the One-Stop Career Center system. The JS employees or other partner staff provide services as appropriate, including the same services as provided to non-agricultural employers. Agricultural job orders in CalJOBS<sup>SM</sup> may receive an extra level of search activity prior to recruiting outside the Local Area to ensure all qualified candidates are located. One-Stop staff advise agricultural employers of prevailing wages and other requirements to ensure that their job orders meet with State and federal requirements, and may provide other labor market information to ensure the employer's labor needs are addressed. An important service for agricultural employers in particular is the ability to assist them in contacting potential or former employees using the CalJOBS<sup>SM</sup> Recall/Recruitment Letters process, an automated letter sent to job seekers regarding possible employment/re-employment opportunities.

In addition to the provision of services through the One-Stop Career Centers, many National Farm worker Jobs Program grantees have forged strong partnerships with local One-Stop systems to help ensure One-Stop services are accessible to MSFWs. The State has developed a strong working relationship with this network of service providers operating Section 167 farm worker service programs.

Workforce issues with farm workers and agricultural employers are not unlike other issues with special needs populations and other vital industries as described in other areas in this State Plan. As California's public workforce system continues to ensure that it remains relevant to California's regional economies and communities, MSFW communities and agricultural employers will have access to the local One-Stop systems and be considered as part of the solution to regional workforce needs.

## **5. Priority of Service**

- a. *What procedures and criteria are in place for the Governor and appropriate local boards to direct One-Stop operators to give priority of service to public assistance recipients and other low-income individuals for intensive and training services if funds allocated to a local area for adult employment and training activities are determined to be limited? (§§112(b)(17)(A)(iv) and 134(d)(4)(E).)*

California recognizes the statutory mandate of both the WIA and SB 293 to prioritize delivery of Adult intensive and training services to recipients of public assistance and other low-income individuals in situations where Local Area Adult funding is limited. Under conditions of limited funding availability, priority of service will be provided to CalWORKs recipients and/or other low-income customers. Accordingly, Local Areas must complete the following as part of their local plans:

- Assess Local Area needs for employment and training services, particularly those of CalWORKs recipients and other low-income individuals.
- Identify how CalWORKs recipients and other recipients and other low-income individuals will be prioritized for intensive and training services, including how the WIA and other One-Stop resources will be directed to these groups.
- Describe in the MOU (which accompanies the local plan), per a new SB 293 requirement, the local policy for identifying individuals who, because of skills and experience, should be referred immediately to training, and the methods of referrals of individuals between partners.

In addition, the State policy issued in California's *WIA Title I Eligibility Technical Assistance Guide*, gives authority to Local Boards to establish criteria by which the Local Areas can determine the availability of funds, and the process by which the priority for Adult intensive and training services will be applied.

- b. What policies and strategies does the State have in place to ensure that, pursuant to the Jobs for Veterans Act (P.L. 107-288)[38 USC 4215], that priority of service is provided to veterans (certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the U.S. Department of Labor, in accordance with the provisions of TEGL 5-03 (9/16/03)?*

To ensure compliance with the Jobs for Veterans Act (P.L. 107-288), the State issued several information bulletins providing general guidance on the implementation of the veterans' priority and how this priority will affect current business practices. California's *WIA Title I Eligibility Technical Assistance Guide* specifies these new requirements and requires that Local Boards develop a process by which the priority of services to veterans and other covered persons will be applied. Additionally, the EDD's WSB has a Veterans' Specialist who provides oversight monitoring and is a resource for questions, issues, and concerns regarding veterans.

*D. Rapid Response. (112(b)(17)(A)(ii).) Describe how your State provides Rapid Response services with the funds reserved under section 133(a)(2).*

- 1. Identify the entity responsible for providing Rapid Response services. Describe how Rapid Response activities involve local boards and Chief Elected Officials. If Rapid Response activities are shared between the State and local areas, describe the functions of each and how funds are allocated to the local areas.*

California has selected the Local Boards, and through them the agencies represented by their CEOs, to lead local teams that provide Rapid Response service in California's 50 Local Areas. Funds are provided for this purpose to the Local Boards/CEOs on a formula basis that provides for baseline support in all Local Areas, and takes into account past Dislocated Worker activities and the number of counties in a given Local Area.

The EDD's WSD functions as the State's Dislocated Worker Unit. The WSD has assigned Regional Advisors to work with each of the Local Areas as liaisons with the Dislocated Worker Unit and to advise the Local Areas about appropriate methods to respond to specific layoff events, ensuring that adequate resources are available at the local level to meet worker dislocation response needs (i.e., determine whether additional assistance is needed).

2. *Describe the process involved in carrying out Rapid Response activities.*
  - a. *What methods are involved in receiving notice of impending layoffs (include WARN Act notice as well as other sources)?*

The State notifies the Local Areas of all notices of layoff/closure it receives, including those under the federal WARN requirements, and those under State legislation that expands the number of employers who are required to provide notice of impending layoffs. In addition to these formal notices, Local Areas adopt various methods, tailored to their unique business situations, to become aware of impending layoffs. The expertise of each of the Local Boards, then, promotes awareness of local layoff situations. Further, business contacts made under the auspices of the Local Boards provide information that assists the local Rapid Response units to detect impending layoffs/business closures in advance of their occurrence. These opportunities to detect layoffs/business closures enhance the information that is received via the formal WARN notification process.

- b. *What efforts does the Rapid Response team make to ensure that rapid response services are provided, whenever possible, prior to layoff date, onsite at the company, and on company time?*

The variety of locally-focused early layoff/closure detection methods listed under the previous question promotes early intervention, prior to the layoff date, onsite at the company, and on company time.

- c. *What services are included in Rapid Response activities? Does the Rapid Response team provide workshops or other activities in addition to general informational services to affected workers? How do you determine what services will be provided for a particular layoff (including layoffs that may be trade-affected)?*

Rapid Response services are tailored by each Local Board to meet the unique needs of local layoff/closure events. They include generalized business services (focused on layoff aversion), assistance with planning for reductions in force, general informational services, pre-layoff workshops, layoff-related job

fairs, application taking, referral to local One-Stop centers, and other services that are appropriate to each local layoff/closure situation. What particular services will be provided (including events that are trade-affected) is determined by the Local Boards, based on the knowledge of their staff and the staff of other local entities participating on the Rapid Response teams, and on discussions with the affected employers and employees.

3. *How does the State ensure a seamless transition between Rapid Response services and One-Stop activities for affected workers?*

The California model for the provision of Rapid Response services is particularly well adapted to ensure a seamless transition between Rapid Response services and One-Stop activities for affected workers, principally because the Rapid Response services and One-Stop activities are overseen by the same Local Area entity. The Local Areas are also the operators of the One-Stop centers within the same service areas, thereby positioning them to deliver both Rapid Response and One-Stop service in a seamless way to the affected local dislocated workers.

4. *Describe how Rapid Response functions as a business service? Include whether Rapid Response partners with economic development agencies to connect employees from companies undergoing layoffs to similar companies that are growing and need skilled workers? How does Rapid Response promote the full range of services available to help companies in all stages of the economic cycle, not just those available during layoffs? How does the State promote Rapid Response as a positive, proactive, business-friendly service, not only a negative, reactive service?*

Local Boards and the State are increasingly treating Rapid Response services as a business service function. Local Rapid Response teams serve the business community through the provision of information about labor market needs and potential dislocation, in addition to information about the services available through the One-Stop systems. They assist employers in exploring alternatives to layoffs through human resource solutions, provide information on the Trade Act programs, provide guidance and/or financial assistance to help establish labor-management committees, help develop strategies for addressing dislocation events and averting layoffs, and assist employers with strategies for incumbent worker training and linkages with economic development activities at the federal, State, and local levels. As part of an on-going preventative strategy, business service professionals within One-Stop centers link with businesses and economic development professionals to foster economic development opportunities.

Rapid Response focused on business services facilitates the transition from declining to emerging industries, thereby ensuring economic growth. In times of high growth, targeted business services may help an industry find and retain skilled workers who meet industry standards, and during economic downturn business services may help the industry upgrade the skills of current workers, identify new markets, and improve productivity. On-the-job and customized training for laid-off workers are good strategies for supplying workers for replacement work or growing industry sectors. Some Local Boards conduct small business surveys and city-based business visitation projects. Relevant incumbent worker skills training

serves to keep employers competitive, thereby preventing layoffs and supporting growing and emerging industries.

The State Board has adopted a Rapid Response policy framework that reinforces layoff aversion strategies instead of primarily responding to layoffs after they occur. The policy emphasizes information and services to help local officials anticipate economic trends and assist in the development of economic development strategies. To promote this, the framework continues to support formula funding while also providing a more flexible funding methodology that focuses more on dynamic and changing local needs. The policy ensures that portions of the funds are directed towards system and capacity building activities in business services and continuous improvement, and the development of layoff aversion strategies. The policy also recognizes the uniqueness of each Local Area and supports opportunities to tailor local systems to best fit an area's needs. It encourages Local Boards to engage their local business communities and understand their needs, while also focusing on the Governor's priorities.

5. *What other partnerships does Rapid Response engage in to expand the range and quality of services available to companies and affected workers and to develop an effective early layoff warning network?*

In addition to the funding provided to the Local Boards, the State funds the JS and the California Labor Federation to ensure that these organizations can be involved in the local efforts. Local Rapid Response teams typically partner with these organizations as well as education and local economic development entities. These connections expand the range and quality of services made available to local companies and their affected workers, and thereby promote the quality of the local early layoff-warning network.

The California strategy of retaining Local Boards to deliver Rapid Response services establishes natural linkages between the local Rapid Response teams and the One-Stop partners. Close and constant communication with employers is also essential to any early layoff-warning network. Numerous Local Areas have developed intensive partnerships that bring together workforce intermediaries, economic development entities, small business development centers at community colleges, community organizations, labor organizations, education, employers, and industry associations. These multiple partnerships generate industry sector initiatives that support employers and workers during times of economic boom or economic downturn.

In times of high growth, the partnerships may help an industry find and retain skilled workers who meet industry standards, and during economic downturn the partnerships may help the industry upgrade the skills of current workers, identify new markets, and improve productivity. It is through the Local Areas' ability to build specialized knowledge of industries, coordinate community resources to meet the needs of industries, adapt to industry change, and manage the multiple stakeholders that they expand the range in quality of services available to companies and affected workers.

6. *What systems does the Rapid Response team use to track its activities? Does the State have a comprehensive, integrated Management Information System that includes Rapid Response, Trade Act programs, National Emergency Grants, and One-Stop activities?*

The State requires Local Boards to submit On-Site Visit reports regarding their Rapid Response activities related to specific layoffs/business closures. These reports include detailed information on the nature of the layoff, the expectations for future activity, and the entities participating in the Rapid Response. The EDD maintains a database of this information. The State also has a comprehensive, integrated Management Information System, the JTA, which is used to track all WIA expenditures and all WIA-enrolled participants, including participants who are enrolled in the Dislocated Worker program. Services provided to such dislocated workers and reported via JTA include the core, intensive, and training services provided at One-Stop centers. Reporting for the National Emergency Grants programs is accomplished via the JTA system, while reporting for the Trade Act program is accomplished separately from the JTA system.

7. *Are Rapid Response funds used for other activities not described above (e.g., the provision of additional assistance to local areas that experience increased workers or unemployed individuals due to dislocation events in case of unusually large layoff events)?*

California reserves 25 percent of its Dislocated Worker allotment for statewide Rapid Response and Additional Assistance activities. Half of this 25 Percent set-aside is used for Rapid Response formula allocations and special projects that address required and allowable Rapid Response activities as defined in 20 CFR 665.310 and 665.320. The remaining half of the 25 Percent Rapid Response set-aside is used to fund Additional Assistance projects as defined in 20 CFR 665.340. Additional assistance is provided only if formula-allocated Dislocated Worker funds are found to be insufficient to address the spectrum of major layoff/business closure events in a Local Area.

- E. *Youth. ETA's strategic vision identifies youth most in need, such as out of school youth, (and those at risk) youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, homeless youth, and migrant and seasonal farmworker youth as those most in need of service. State programs and services should take a comprehensive approach to serving these youth, including basic skills remediation, helping youth stay in or return to school, employment, internships, help with attaining a high school diploma or GED, post-secondary vocational training, apprenticeships and enrollment in community and four-year colleges. (§112(b)(18).)*

1. *Describe your State's strategy for providing comprehensive, integrated services to eligible youth, including those most in need as described above. Include any State requirements and activities to assist youth who have special needs or barriers to employment, including those who are pregnant, parenting, or have disabilities. Include how the State will coordinate across State agencies responsible for workforce investment, foster care, education, human services, juvenile justice, and other relevant resources as part of the strategy. (§112(b)(18).)*



The DOL's new strategic vision for the delivery of WIA Youth services was issued in TEGL No. 3-04. In response to the new Youth vision, the DOL sponsored a number of regional forums, with California participating in a session conducted in Phoenix, Arizona in December 2004. As described in Section III. C. 4. a SYVT was formed to foster communication and connections across disciplines and agencies; enhance the quality of services delivered; improve efficiencies and improve the outcomes for the neediest youth; and have all youth served by one system. The team was reconvened by the State Board's Special Committee on Lifelong Learning in 2006 and, working through and with the committee, the team will address both the implementation of the federal shared youth vision and other issues with WIA youth programs and local youth councils in California.

Another strategy the State Board has employed for providing services to eligible youth has been the *Improving Transition Outcomes for Youth with Disabilities* (ITOP) project. ITOP was funded with a grant through the DOL's Office of Disability Employment Policy to form a partnership of federal, State, and community organizations to map California's youth service delivery infrastructure, develop and implement a multi-agency unified state plan to improve transition services and employment opportunities for youth with disabilities, and to conduct local demonstration projects. The plan was completed and is being incorporated in the work of the Governor's Committee and its Comprehensive Strategy for the Employment of People with Disabilities.

The strategies employed by the State and Local Boards, State and local partners that serve the neediest youth, and local youth councils are consistent with State Board goals for advancing people with multiple barriers to employment through comprehensive services and identifying strategies to meet industry needs. With the input from Local Boards and public and private, profit and non-profit organizations, the strategies continue to evolve for meeting the special needs of foster youth, youth offenders, youth with disabilities, and other needy, at-risk youth.

2. *Describe how coordination with Job Corps and other youth programs will occur. (§112(b)(18)(C).)*

Job Corps is a very important partner in providing services to WIA-eligible youth. Cooperative efforts have been coordinated with Job Corps for providing services and connecting Job Corps with the local One-Stop systems. Job Corps also serves as a member of the re-convened SYVT, under the State Board's Special Committee on Lifelong Learning.

3. *How does the State Plan to utilize the funds reserved for statewide activities to support the State's vision for serving youth? Examples of activities that would be appropriate investments of these funds include:*
  - a. *Utilizing the funds to promote cross agency collaboration;*
  - b. *Demonstration of cross-cutting models of service delivery;*
  - c. *Development of new models of alternative education leading to employment; or*
  - d. *Development of demand-driven models with business and industry working collaboratively with the workforce investment system and education partners to develop strategies for bringing these youth successful into the workforce pipeline with the right skills.*

- e. *Describe how your State will, in general, meet the Act's provisions regarding youth program design. (§§112(b)(18) and 129(c).)*

In response to activities outlined in WIA sections (§§112(b)(18) and 129(c), Local Boards will develop and enhance relationships with local agencies and service providers to ensure that necessary services are available to eligible youth. Coordination with foster care, education, welfare, and other relevant resources occurs through local youth councils and is monitored through State review.

The Governor uses statewide funds for ongoing statewide youth activities such as:

- *The Foster Youth Employment and Training and Housing Taskforce* is a State-level interagency collaborative that develops strategies to promote the implementation of an initiative register foster youth at One-Stop Career Centers. The initiative promoted the funding of three foster youth pilot projects in Alameda, Colusa, and Ventura Counties with the goal of providing outreach and coordination of interagency resources, identifying programs providing services to transitional foster youth, establishing an interface between One-Stop centers and current promising practices in Local Areas, and maximizing and sharing resources for foster youth.

In addition, members of the Taskforce developed a multidisciplinary training curriculum on Foster Youth services provided by the CDSS Independent Living Program and through the One-Stop Career Centers. Participants in the training include One-Stop staff, foster parents, foster youth, community-based organizations, education staff, and CDSS Independent Living Program staff.

- The State Board and the EDD developed policy and definitions for distributing WIA 15 Percent Discretionary funding to Local Areas with high concentrations of eligible youth. To receive the additional funds, Local Boards are required to submit plans showing collaboration and connection with programs, agencies, and organizations serving foster youth, youth with disabilities, and youth offenders. Current guidelines for program year 2006-2007 provide for additional funds to Local Areas with high concentrations of WIA-eligible youth above the State average of 23.6 percent. Local Boards must select a priority focus of Foster Youth, Youth Offender, or Youth with Disabilities

In 2006, the LWDA and the State Board supplemented the required expenditure of WIA 15 Percent funds for high concentrations of eligible youth with an additional \$700,000 in WIA 15 Percent funding through a competitive SFP. This SFP extended funding for high concentrations of at-risk youth to areas and communities in the State that have high concentrations of such youth but may not exceed the State average.

*F. Business Services. (§§112 (a) and 112(b)(2).) Provide a description of the state's strategies to improve the services to employers, including a description of how the State intends to:*

- 1. Determine the employer needs in the local areas and on a statewide basis.*
- 2. Integrate business services, including Wagner-Peyser Act services, to employers through the One-Stop system.*
- 3. Streamline administration of Federal tax credit programs within the One-Stop system to maximize employer participation? (20 CFR part 652.3(b), §112(b)(17)(A)(i).)*

A variety of strategies carried out both locally and statewide assist in the determination of employer needs. Statewide strategies include the gathering and reporting of workforce and labor market information and the work of the CREP, as well as the "economic conversations," held in the first year of the Governor's term, which involved people from all over the State and the Governor's cabinet secretaries. Additionally, the work of other partners such as the Economic Development and Workforce Development Program of the Community Colleges provide ongoing and valuable information on the needs and perspectives of employers. The State has also provided assistance to the Local Boards through the convening of nine regional economies forums, as well as the development of customized LMID web-based regional information.

Through the EDD, which administers Wagner-Peyser funds, a subsystem of CalJOBS<sup>SM</sup> called the ECMS was developed and made available to all One-Stop partners so that the EDD and all partners could record contacts made with employers as a method of coordinating those contacts. California has also made significant strides to increase the accessibility of federal tax credits to employers.

These steps include:

- Posting extensive information about federal tax credits on the EDD website for employers to view;
- Providing information and pre-screening notices to employers from case managed clients through MOUs between the EDD and the One-Stop partners;
- Making all tax credit forms available through download from the EDD website;
- Marketing federal tax credits through publications sent to employers such as *The California Employer*, a quarterly EDD Tax Branch publication; and
- Establishing, and creating an efficient automation system for centralized processing of employer tax credit certifications requests.

California participated in a Work Opportunity Tax Credit (WOTC) workgroup in Washington D.C. with the purpose of submitting recommendations to the DOL for developing and adopting a standard E-WOTC data schema, which would allow for electronic signatures on the Internal Revenue Service certification request. E-WOTC, as termed by the workgroup, would allow employers and/or their agents to submit all certifications requests electronically, reducing processing time. The DOL is still reviewing the workgroup recommendations.

California also recently implemented an automation process at its WOTC certification processing office that prints and mails all of the WOTC mail hands-free, saving staff time and mailing costs. This was extremely beneficial at the end of the recent 12 month WOTC hiatus. California was able to mail the backlog of almost 71,000 letters out to employers in 3 hours rather than several months of staff time taken in the previous hiatus.

Finally, the State Board will consider a number of recommendations discussed during its State Plan special committee meetings:

- Continue to implement and refine local information gathering and analysis, including increased efforts to gather and disseminate timely data;
- Provide incentives to strengthen the ability of Local Boards and their One-Stop systems to know and meet the needs of their business communities;
- Build in accountability for outcomes;
- Improve staff competencies in developing and providing business services;
- Increase consistency within the system through development of policies and approaches that unify and provide clearer definition to programs and services;
- Provide technical assistance for business services development based on promising practices; and
- Explore how the State can best improve the integration of Wagner-Peyser funded services with the local One Stop systems.

*G. Innovative Service Delivery Strategies (§112(b)(17)(A).)*

1. *Describe innovative service delivery strategies the State has or is planning to undertake to maximize resources, increase service levels, improve service quality, achieve better integration or meet other key State goals. Include in the description the initiative's general design, anticipated outcomes, partners involved and funds leveraged (e.g., Title I formula, Statewide reserve, employer contributions, education funds, non-WIA State funds).*

California's 50 Local Areas face a wide range of distinct challenges arising from their economic, demographic, geographic, and political diversity. The Governor's commitment to local flexibility and control has resulted in Local Boards developing a multitude of innovative service delivery strategies that address their unique, community-based challenges.

The State Board and the EDD maintain a catalog of best practices on the EDD website for dissemination throughout the local workforce communities. The best practices must meet at least two of the following criteria:

- Improves customer service by inventing new ways of doing business;
- Successfully reaches out to the community to bring in clients that can benefit from the services provided (job seekers or employers);
- Produces great results or performance;
- Has been recognized as a promising practice through testimonials from clients and/or the workforce development community;
- Makes use of new or innovative technology or resources; and

- Promotes partnerships or improves operations in a One-Stop Career Center.

Practices published over the website are verified in two ways:

- They are backed by measurable outcome data such as increase in the number of job placements, documented improvement in skills, and increase in the number of enrollments; and
- They contain evidence of quality such as activities that are improving participant self-sufficiency, strong testimonials, or widespread support from other stakeholders.

The best practices are collected and presented according to following topics:

- Business Services
- Customer Focus
- Marketing and Outreach
- Performance Management
- Service Integration/Partnerships
- Serving People With Disabilities
- Technology
- Youth
- Other (for practices not covered by the listed categories)

Additionally, the CWA has developed four Regional One-Stop Communities that conduct meetings to discuss issues and innovation solutions for the enhancement of local One-Stop Delivery systems. As California explores and identifies issues, local innovation will be a constant factor when considering solutions to ensuring California's public workforce system is relevant to local and regional industries and labor markets.

2. *If your State's participating in the ETA Personal Re-employment Account (PRA) demonstration, describe your vision for integrating PRAs as a service delivery alternative as part of the State's overall strategy for workforce investment.*

California is not participating in a PRA demonstration.

- H. *Strategies for Faith-based and Community Organizations (§112(b)(17)(i).) – Enhancing outreach opportunities to those most in need is a fundamental element of the demand-driven systems goal to increase the pipeline of needed workers while meeting the training and employment needs of those most at risk. Faith-based and community organizations provide unique opportunities for the workforce investment system to access this pool of workers and meet the needs of business and industry. Describe those activities to be undertaken to: (1) increase the opportunities for participation of faith-based and community organizations as committed and active partners in the One-Stop delivery system; and (2) expand the access of faith-based and community-based organizations' clients and customers to the services offered by the One-Stops in the State. Outline those action steps designed to strengthen State collaboration efforts with local workforce investment areas in conducting outreach campaigns to educate faith-based and community organizations about the attributes*

*and objectives of the demand-driven workforce investment system. Indicate how these resources can be strategically and effectively leveraged in the State's workforce investment areas to help meet the objectives of the Workforce Investment Act.*

California has made an investment and a strong effort to provide job services and training to individuals not traditionally served by the mainstream workforce system. This successful effort entailed the expansion of the partnership between faith-based and community-based organizations with the local One-Stop systems and expanding the accessibility of One-Stop services to faith-based and community-based organizations.

This was the result of a unique collaboration between government and faith-based and community-based organizations to 1) provide grants to faith-based and community-based organizations that have been limited in their ability to take advantage of public funding due to limited resources and/or lack of experience in dealing with competitive contracting processes; 2) establish partnerships between the State and these organizations; and 3) serve the most difficult to serve and hardest to employ individuals. This nationally acclaimed effort has resulted in more than 7,000 persons throughout California having been served by nearly 50 different recipient organizations. Some 1,500 of these individuals have found unsubsidized jobs through this initiative.

The Governor and the State Board recognize that the integration and partnership of faith-based and community-based organizations with the local One-Stop systems is critical to serving individuals with multiple barriers in our most economically oppressed urban areas in California. Often these urban areas within a larger jurisdiction have an unemployment rate that doubles the average unemployment rate – in Los Angeles County overall, for instance, the average unemployment rate is 5.6 percent, yet in the City of Compton it is 11.7 percent.

The faith-based and community-based organizations are vital partners in ensuring all Californians are provided the opportunity to acquire the skills to take advantage of new and expanding opportunities to achieve self-sufficiency. During the planning process, it was evident that faith-based and community-based organizations must be considered similar to those entities traditionally funded through WIA Title I, when funding opportunities are made available at the State and local levels. California, along with the DOL, has invested in making faith-based and community-based organizations partners in reaching out to communities to ensure that the business community has access to an adequate workforce.

## **X. State Administration**

- A. *What technology infrastructure and/or management information systems does the State have in place to support the State and local workforce investment activities such as a One-Stop operating system designed to facilitate case management and service delivery across programs, a State job matching system, web-based self service tools for customers, fiscal management systems, etc.? (§§111(d)(2), 112(b)(1) and 112(b)(8)(B).)*

California's workforce information system offers a user-friendly self-service website at [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov) that provides the information customers need to make informed decisions – including career information, State and local profiles for planning purposes, and links to job listings on America's Job Bank. Customer specific portal pages offer customers the information they require to explore their labor market needs. For instance, students can find career profiles, compare occupations side-by-side, search by skills and interests, search for jobs, find lists of employers to support their job searches, read articles, find publications, and access other career resources. Businesses can create job descriptions using occupational profiles, compare local occupational wages, and create demographic profiles for affirmative action planning or government contracts, and more.

California does not have an automated, statewide One-Stop operating system that fully integrates labor exchange services and case managed services for job seekers and employers. The State has standalone systems that address all of these functions. California is working on merging client data across automated systems for the JS, TAA, and WIA programs. This will allow the State to improve data reporting, better evaluate program performance, and ultimately improve services to clients.

The following is a list of California's primary data tracking systems for Wagner-Peyser and WIA programs and the functions of each system:

JS Program:

- CalJOBS<sup>SM</sup> allows employers to enter job openings and workers to enter résumés and match to job listings.
- The PASS and the Activity Calendaring and Event Scheduler support case management for the employment service programs.
- The ECMS assists One-Stop staff in coordinating contacts with employers.

WIA Program

- The JTA system supports client data collection and financial reporting and manages client information from application through follow-up, calculates performance at the State and local levels on a quarterly and annual basis, and computes all data necessary for the quarterly and annual reports. The JTA system produces the WIA Standard Record and compiles the data necessary for completion of the quarterly financial reports.

*B. Describe the State's plan for use of the funds reserved for statewide activities under WIA §128 (a)(1).*

The Governor's current plan for the use of statewide discretionary funding is focused on the three priorities of high-wage, high-growth jobs; advancing workers with barriers to employment; and industries with statewide shortages. Targeting these areas through solicitations that make funds available, and through the funding of unsolicited proposals, is helping to build the workforce system's capacity to provide training services, particularly as they relate to industries that are most vital to the State's economy. The Governor also annually targets areas with statewide importance for

funding, such as veterans services. The State Board, Local Boards, the State Legislature, and partner programs continually identify new and different strategic targets for the statewide funding and make recommendations to the Governor for strategic expenditures.

- C. *Describe how any waivers or workflex authority (both existing and planned) will assist the State in developing its workforce investment system. (§§189(i)(1), 189 (i)(4)(A), and 192).)*

California would like to request a continuation of all five of its approved waivers through PY 2009. Please note that the extension request for the Incumbent Worker Training waiver reflects an increase from 10 to 50 percent of local formula funding, and the extension request for the Transfer Authority waiver reflects an increase from 50 to 100 percent in transfer authority. Following are the five extension requests:

**Continuation of California's waiver of WIA Section 122 (c)**

California requests the continuation of the State's waiver of WIA Section 122 (c) through PY 2009, which was extended through the 2005-2007 State Plan. During PY 2006 the State Board, the EDD, and DOL Region 6 explored issues that discouraged educational entities, particularly California's community colleges, from participating in the statewide ETPL. It was determined that a significant deterrent for educational entities was the subsequent eligibility policy that the State had issued in [WIAD01-16](#) in 2002. That policy, though never implemented at the State level due to this waiver, remained in place, which led to misinterpretation and misunderstanding on the part of some Local Boards as well as education providers.

As a result, the EDD issued a new directive (WIAD06-15) on February 7, 2007 that removes subsequent eligibility from the ETPL Policy and Procedures and modifies the Community College Provider and Program applications in order to expedite the initial eligibility process. Providers are still encouraged to submit information on performance outcomes to facilitate customer choice and Local Boards must continue to notify the State if a provider's initial eligibility becomes invalid. A primary goal for the State in continuing this waiver and in issuing the new directive is to increase the availability of training and the accountability of training providers. California will work closely with the DOL to identify a strategy for implementing the ETPL policy, if WIA reauthorization does not change the options available to the Governor.

The following ETPL issues continue to limit customer choice and the use of ITAs:

- Inconsistent and unreliable performance information from private post-secondary training providers;
- Inequitable performance requirements across the State; and
- Non-standardized definitions of an individual completing a program, thus not assuring that the clients in the performance cohort are comparable.

State staff will continue to work closely with the DOL Region 6 to allow for monitoring of the State's progress toward the goal of a comprehensive training provider list that



provides quality performance information allowing for customer choice and reliable, successful training services.

**Continuation of the Waiver on the Prohibition on use of Youth WIA dollars to fund ITAs for Older Youth**

California requests an extension of its waiver of 20 CFR (664.510) that permits ITAs for youth only if they are determined eligible for and are co-enrolled as an Adult or Dislocated Worker. The original request was included in and approved through the 2003 waiver plan and has been extended twice, through June, 2007. The State believes that this waiver is helping to maximize the service delivery capacity of WIA Youth programs within the One-Stop Career Centers by allowing youth who are determined not to follow an academic track, and are instead focused on employment, to have the same access as adults and dislocated workers to the advantages of ITAs. The co-enrollment of youth as currently required in WIA is a duplicative and bureaucratic process, and does not allow some of those expenditures to be appropriately counted toward the 30 percent out-of-school expenditure requirement.

**Continuation of the Waiver Allowing Use of Local Formula Funds for Incumbent Worker Training**

California requests an extension of this waiver of language that limits the authority to provide the activities identified in WIA Section 134 and further requests that the 10 percent limitation on the use of local formula funds for incumbent worker training be increased from 10 to 50 percent. This waiver was only implemented in November of 2006 and is allowing Local Boards to respond better to local economic changes and challenges in serving employers with existing workers who require training as described at WIA 134(a)(3)(A)(iv). Local Boards are tracking the use of WIA funds for incumbent worker training by funding stream and the State is monitoring the related Local Boards' fiscal, administrative, and program activities.

**Continuation and Expansion of the Waiver Granting Increased Transfer Authority Between Adult and Dislocated Worker Funds**

California requests an extension of the approved waiver of the funds transfer limitation at WIA 133(b)(4) to permit transfer of up to 50 percent of funds between the Adult and Dislocated Worker funding streams, and seeks to increase the waiver to permit transfer of up to 100 percent of those funds between the funding streams. This waiver provides Local Boards with greater, and needed flexibility to respond to changes in their local labor markets, to better meet the needs of their customers, and to allow greater responsiveness to worker dislocations. The State would continue to approve requests, but for transfer of up to 100 percent of the funds in these two funding streams.

**Continuation of the Sliding Scale for Customized Training**

California requests an extension of the approved waiver of the requirement at WIA 101(8)(C) that employers must match at least 50 percent of the cost of customized training. This waiver was only implemented in November of 2006, but is already proving useful to Local Boards, particularly those in California's two WIRED regions,

who strive to serve small businesses that may find it difficult if not impossible to provide a full 50 percent match. The extended waiver would continue the use of the following sliding scale:

- No less than 10 percent match for employers with 50 or fewer employees;
- No less than 25 percent match for employers with 51-100 employees; and
- No less than 50 percent match for employers with more than 100 employees.

*D. Performance Management and Accountability. Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only systems in place to collect data and track performance, but also systems to analyze the information and modify strategies to improve performance. (See TEGL 15-03, Common Measures Policy, December 10, 2003.) In this section, describe how the State measures the success of its strategies in achieving its goals, and how the State uses this data to continuously improve the system.*

- 1. Describe the State's performance accountability system, including any state-system measures and the state's performance goals established with local areas. Identify the performance indicators and goals the state has established to track its progress toward meeting its strategic goals and implementing its vision for the Workforce Investment system. For each of the core indicators, explain how the State worked with local boards to determine the level of the performance goals. Include a discussion of how the levels compare with the state's previous outcomes as well as with the State-adjusted levels of performance established for other states (if available), taking into account differences in economic conditions, the characteristics of participants when they entered the program and the services provided. Include a description of how the levels will help the State achieve continuous improvement over the two years of the plan.*

California is striving to create a flexible, demand-driven employment and training system that is fully accountable at the State and federal levels. Both State-level initiatives and the local systems are focused on understanding and meeting the needs of employers. By working with job seeker customers to define service plans that prepare them for demand occupations and provide work readiness skills that enable them to excel in California's adaptive labor market, the workforce system will assure that workers get jobs, retain jobs, and advance in those jobs. That service strategy will support the success of workers with barriers to employment as well as dislocated workers that need assistance in translating their skills to new occupations. The State performance levels are established to assure accountability while supporting the Governor's desire to assure that California's employment and training system is open to adults and youth with special needs and barriers to employment.

In setting California's performance targets, staff considered labor market conditions, past performance, the demographics of the State's client population, the Secretary of Labor's Government Performance and Results Act (GPRA) goals, and the circumstances in California relative to other States. The Governor's goals reflect an expectation of improved performance and an effort to support the Secretary of Labor in achieving the GPRA goals.

Some goals, however, for all client groups are lower than the Secretary's GPRA expectations. This reflects California's higher than average unemployment rates over the planning horizon and California's high-risk population. Using the Department of Labor's Federal Research and Evaluation Database (FRED) staff compared the characteristics of the job seekers served in California to the national average and to other large states and states with similar economic conditions. Specific states included in the analysis are – Illinois, Ohio, Texas, and New York. The Adults and Dislocated Workers served in California are older, are more likely to have exhausted their unemployment insurance benefits, a higher percentage of clients are disabled, speak limited English, and are high school dropouts. In addition, many of these clients are coming to the program from high paying jobs in declining industries. Pre-program wages for these clients are higher than the national average.

California's challenge is exacerbated by economic conditions. Both the California Department of Finance and the University of California, Los Angeles Anderson Forecast indicate that California's unemployment rate will remain above the national average and above six percent through calendar year 2007.

Historically, California's performance with Younger Youth has been above average and the State's performance expectations for this population reflect continually improving outcomes. The plan goals for youth services are somewhat below current performance, reflecting the Governor's desire to increase outreach and services to youth most in need, and assuring that all youth are given equal opportunity for successful careers.

California has not included the specific statistics from the FRED that support the performance goals as part of this plan, but will present findings in detail to the DOL if requested as part of the formal performance negotiation process. The State has not completed negotiations with Local Boards for PY 2005 and PY 2006. Through the State Plan public comment process, local CEOs and Local Boards have had the opportunity to comment on the performance goals. California will continue negotiations with local representatives following approval of the State Plan.

For PY 2005 and PY 2006, the State will use a local negotiation process similar to that used in previous years. State staff will prepare proposed goals for each of the Local Boards. These goals are derived based on the State agreed-upon goals with the Secretary of Labor, relative economic conditions across the Local Areas, and the demographics of the client populations within the Local Areas. These State proposed goals are published for acceptance or negotiation by the CEOs and Local Boards through a State WIA directive. Based on responses to the initial directive, negotiations are completed between the local representatives and the State and final goals are published through a final State WIA directive. As a rule, the negotiation process takes a minimum of two months to complete, thus providing the Local Areas some time for public comment on the goals at the local level.

During PY 2004, California has been working to develop quantitative methods to better evaluate Local Board performance. The State and each of the Local Boards are able to monitor and evaluate performance on a quarterly basis through the JTA system. State staff are currently developing the following additional processes to assist with performance monitoring:

- Preparation of a quarterly performance summary by Local Area that will provide a historical trend for each performance measure, data by quarter for the current program year, and a risk rating that relates expected performance to actual performance based on labor market conditions and the characteristics of clients served within the Local Area; and
  - Because the data in the administrative databases have limited power to explain performance outcomes, California will initiate discussion with the Local Boards to identify other process and program information that may relate to successful performance. Some of this learning will come from the current State-initiated WIA Evaluation to be completed in April 2006. Additional information will be garnered through surveys and conversations with the local partners.
2. *Describe any target applicant groups under WIA Title I, the Wagner-Peyser Act or Title 38 Chapters 41 and 42 (Veterans Employment and Training Programs) that the state tracks.*

California is committed to providing quality workforce services to all Californians. Given limited resources and economic conditions, Local Boards are encouraged to provide services to adults and youth with multiple barriers to employment, and to people with disabilities. The Governor is also investing significant resources to assuring full services are available to veterans.

3. *Identify any performance outcomes or measures in addition to those prescribed in WIA and what process the state is using to track and report them.*

Currently California has no additional performance measures for the workforce system outside those prescribed by the WIA. Because of the Governor's goal of integrating the workforce system with economic development and assuring effective links to the employer community, the State Board will consider recommending the implementation of one or more employer-based performance measure(s).

4. *Describe the State's common data system and reporting processes in place to track progress. Describe what data will be collected from the various One-Stop partners (beyond what is required by the DOL), use of quarterly wage records (including how your state accesses wage records), and how the Statewide system will have access to the information to continuously improve.*

California calculates WIA performance through the statewide JTA system. The client data collection forms are described in detail in the *Client Forms Handbook*. This guide has been out for reference since May 2002. A recent revision was released in [WIAD04-17](#), March 24, 2005. The JTA system tracks client services from application through follow-up. The client Enrollment Form is designed to track

all services received by the client regardless of the partner providing the service. All recipients of WIA funds are required to report through the JTA system. How and if local partner services are reported through the JTA system is at the discretion of the local partners.

The JTA system provides the facility for a locally specified Agency Code to allow local administrators to identify and monitor local partner activities. The JTA system has standard reports that will generate performance outcomes by Agency Code, Governor's Discretionary Grant or Special Project, Local Board, and statewide. Most of these outcome summaries are available at the local and State-level. Local service providers may work within the system or they may transfer data periodically from a separate locally developed automation system. Client records must be transmitted to the State on a monthly basis. The JTA system contains edit checks to assure that data entries are valid.

The JTA system produces a variety of standardized reports to assist the State and Local Board's in monitoring client activity and performance. Examples of these reports include:

- Summary of enrollments and client characteristics;
- The performance detail report to calculate local performance;
- The WIA performance roster that displays the clients in the numerator and denominator of each measure;
- Listing of clients approaching 90-days without service;
- A listing of exited clients and the quarterly follow-up schedule; and
- Wage record outcome status by client.

To obtain wage record information for the calculation of performance outcomes, the JTA system links directly to California's employer wage records. Client records are matched at enrollment for pre-program wages and quarterly for post-exit performance evaluation. For California's Local Boards, the client-specific wage record data are available through the JTA. Based on California statute, private for-profit or non-profit contractors may not have access to the wage record detail. These contractors are able to view aggregate reports. The JTA system produces an extract file for matching to the national wage record interchange system.

5. *Describe the actions the Governor and State Board will take to ensure collaboration with key partners and continuous improvement of the Statewide Workforce System.*

The State Board works collaboratively with key stakeholders on all areas of workforce development in California. Supporting the development of a demand-driven architecture for California's workforce system, business leaders who represent the multi-faceted diversity of industries in California are active members on the State Board. The State Board also engages in contracts, MOUs, and interagency agreements for services from the various State-level partners. The State Board's four special committees are dedicated to the continuous improvement of California's workforce system and are comprised of business

leaders, local representatives, and representatives of State agencies, all striving towards the improvement of the State's workforce investment system.

In implementing SB 293, the State Board is required to collaborate with all necessary and appropriate State and local partners in developing a broad, comprehensive, strategic plan for California's workforce system. The State Board launched this planning effort at its February, 2007 meeting, and is engaging State and local government, practitioners, organized labor, business and industry, economic development, and education in new and more meaningful ways in order to complete a widely supported strategic plan by the end of the year. The State Board's strategic planning process will rely heavily on policy work through its special committees, as well as State Board meetings and other public venues such as regional forums to which all stakeholders and interested parties will be invited.

6. *How do the State and local boards evaluate performance? What corrective actions (including sanctions and technical assistance) will the State take if performance falls short of expectations? How will the State and Local Boards use the review process to reinforce the strategic direction of the system?*

The State evaluates and monitors performance on a quarterly basis using the standard reports generated by the JTA system. The State's incentive and sanctions policies are specified in two directives – [WIAD04-12](#) is the State's most recent issuance of the State's requirements to receive an exemplary performance award, and [WIAD02-4](#) provides the State's sanction policies for nonperformance.

An under-performing Local Board is required to complete a corrective action plan that is reviewed and approved by State staff. The State will provide technical assistance in support of the local corrective action plan including advice thorough the use of a State "performance review team" as well as other types of training. As part of the corrective action planning process, Local Boards are asked, among other things, to consider the strategic elements of their local systems, including:

- Improving local partnerships and expanding One-Stop services;
- Improving access to local labor market information;
- Reorganization;
- The local One-Stop certification process; and
- Improving linkages to the business community.

7. *What steps, if any, has the state taken to prepare for implementation of new reporting requirements against the common performance measures as described in TEGL 15-03, December 10, 2003, Common Measures Policy?*

California announced these performance changes in March 2004 through [WIAB03-61](#). Since that time staff have provided regular updates to the workforce community through a monthly conference call with an advisory group of Local Area Administrators. The State is currently completing the programming of the common measures in the JTA system.

8. *8. Include the proposed level for each performance measure for each of the two program years covered by the Plan. While the plan is under review, the state will negotiate with the respective ETA Regional Administrator to set the appropriate levels for the next two years. At a minimum, states must identify the performance indicators required under section 136, and, for each indicator, the State must develop an objective and quantifiable performance goal for two program years. States are encouraged to address how the performance goals for local workforce investment areas and training providers will help them attain their statewide performance goals.*

Attachment M provides California's proposed performance goals for PY 2005-06 and PY 2006-07. A general explanation for the specified performance levels is provided in the State's response in Section X.D.1. The State assumes that more detailed discussions may take place during the formal negotiation and approval of the goals.

#### *E. Administrative Provisions*

1. *Provide a description of the appeals process referred to in §116(a)(5).*

An entity denied designation will have twenty calendar days from the postmark date of the denial letter to file an appeal. An entity will meet the filing deadline if the appeal is postmarked within the 20-day deadline described in the preceding sentence. The entity shall submit the appeal to the State Board as required under the WIA.

##### *(a) Appeal to the State Board*

The appeal must include all factual and legal arguments as to why the appeal should be granted. The State Board will conduct a review of the appeal and will issue a recommendation to the Governor within thirty calendar days of receiving the appeal. The designation process will continue while the appeal is in progress, and will be modified should the initial denial of designation be overturned.

##### *(b) Appeal to the U.S. DOL*

If the appeal of the decision submitted within the required time frame does not result in the requested designation, the unit or grant recipient may further appeal the designation decision to the U.S. Secretary of Labor. The appeal to the Secretary must be consistent with the requirements of the WIA of 1998. The U.S. Secretary of Labor, after receiving a request for review from the unit or grant recipient and upon determining that the unit or grant recipient was not accorded procedural rights under the appeal process established in the State Plan, or that the area meets the requirements of Section 116(a) paragraph (2) or (3), as appropriate, may require that the area be designated as a local area under such appropriate paragraph.

2. *2. Describe the steps taken by the State to ensure compliance with the non-discrimination requirements outlined in §188.*

The State developed a Methods of Administration (MOA) document that reflects the Governor's commitment to nondiscrimination and equal opportunity. The

elements contained in this document outline California's policy on the nondiscrimination provisions outlined in WIA Title I Section 188 and meet the intent and mandate of Title 29 CFR Part 37 37.54(a). The provisions of the MOA apply to California JS, UI, and WIA Title I financially assisted programs, activities, and recipients.

The EDD issued [WIAD01-21](#) establishing the State policy on nondiscrimination and equal opportunity. This directive contains the nine distinct elements outlined in the MOA and highlights compliance requirements that are significant to Local Areas and other WIA Title I recipients. These elements include:

- Requiring each Local Area to designate a local-level Equal Opportunity Officer;
- Notice and communication requirements;
- Reviewing assurances in Job Training Plans, Contracts, and Policies and Procedures;
- Compliance with Section 504 of the Rehabilitation Act of 1973 and Title 29 CFR Part 37;
- Ensuring Universal Access;
- Data and information collection and maintenance;
- Monitoring recipients for compliance;
- Complaint processing procedures; and
- Corrective actions and sanctions.

## **XI. Assurances**

- 1. The State assures that it will establish, in accordance with section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotments made under sections 127 and 132. (§112(b)(11).)**
- 2. The State assures that it will comply with section 184(a)(6), which requires the Governor to, every two years, certify to the Secretary, that -**
  - a. the State has implemented the uniform administrative requirements referred to in section 184(a)(3);**
  - b. the State has annually monitored local areas to ensure compliance with the uniform administrative requirements as required under section 184(a)(4); and**
  - c. the State has taken appropriate action to secure compliance pursuant to section 184(a)(5). (§184(a)(6).)**
- 3. The State assures that the adult and youth funds received under the Workforce Investment Act will be distributed equitably throughout the State, and that no local areas will suffer significant shifts in funding from year to year during the period covered by this Plan. (§112(b)(12)(B).)**
- 4. The State assures that veterans will be afforded employment and training activities authorized in section 134 of the Workforce Investment Act, and the activities authorized in chapters 41 and 42 of Title 38 US code. The State assures that it will comply with the veterans priority established in the Jobs for Veterans Act. (38 USC 4215.)**



5. The State assures that the Governor shall, once every two years, certify one local board for each local area in the State. (§117(c)(2).)
6. The State assures that it will comply with the confidentiality requirements of section 136(f)(3).
7. The State assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing. (§181(b)(7).)
8. The State assures that it will comply with the nondiscrimination provisions of section 188, including an assurance that a Methods of Administration has been developed and implemented (§188.)
9. The State assures that it will collect and maintain data necessary to show compliance with the nondiscrimination provisions of section 188. (§185.)
10. The State assures that it will comply with the grant procedures prescribed by the Secretary (pursuant to the authority at section 189(c) of the Act), which are necessary to enter into grant agreements for the allocation and payment of funds under the Act. The procedures and agreements will be provided to the State by the ETA Office of Grants and Contract Management and will specify the required terms and conditions and assurances and certifications, including, but not limited to, the following:
  - General Administrative Requirements:
    - 29 CFR part 97 --Uniform Administrative Requirements for State and Local Governments (as amended by the Act)
    - 29 CFR part 96 (as amended by OMB Circular A-133) --Single Audit Act
    - OMB Circular A-87 --Cost Principles (as amended by the Act)
  - Assurances and Certifications:
    - SF 424 B --Assurances for Non-construction Programs
    - 29 CFR part 37 --Nondiscrimination and Equal Opportunity Assurance (and regulation) 29 CFR § 37.20
    - CFR part 93 --Certification Regarding Lobbying (and regulation)
    - 29 CFR part 98 --Drug Free Workplace and Debarment and Suspension Certifications (and regulation)
  - Special Clauses/Provisions:
    - Other special assurances or provisions as may be required under Federal law or policy, including specific appropriations legislation, the Workforce Investment Act, or subsequent Executive or Congressional mandates.
11. The State certifies that the Wagner-Peyser Act Plan, which is part of this document, has been certified by the State Employment Security Administrator.
12. The State certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U.S.C. Chapter 41 and 20 CFR part 1001.
13. The State certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees in accordance with DOL regulations.
14. The State assures that it will comply with the MSFW significant office requirements in accordance with 20 CFR part 653.

- 15. The State certifies it has developed this Plan in consultation with local elected officials, local workforce boards, the business community, labor organizations and other partners.**
- 16. As a condition to the award of financial assistance from the Department of Labor under Title I of WIA, the grant applicant assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:**
  - Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I--financially assisted program or activity;**
  - Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the bases of race, color and national origin;**
  - Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;**
  - The Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age; and**
  - Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination on the basis of sex in educational programs.**

**The grant applicant also assures that it will comply with 29 CFR part 37 and all other regulations implementing the laws listed above. This assurance applies to the grant applicant's operation of the WIA Title I-financially assisted program or activity, and to all agreements the grant applicant makes to carry out the WIA Title I-financially assisted program or activity. The grant applicant understands that the United States has the right to seek judicial enforcement of this assurance.**
- 17. The State assures that funds will be spent in accordance with the Workforce Investment Act and the Wagner-Peyser Act and their regulations, written Department of Labor Guidance implementing these laws, and all other applicable Federal and State laws.**

## **PROGRAM ADMINISTRATION DESIGNEES AND PLAN SIGNATURES**

### **Name of WIA Title I Grant Recipient Agency:**

California Employment Development Department

Address: P.O. Box 826880, Sacramento, CA 94280-0001

Telephone Number: (916) 654-8210

Facsimile Number: (916) 657-5294

E-mail Address: phenning@edd.ca.gov

### **Name of State WIA Title I Administrative Agency (if different from the Grant Recipient):**

California Labor and Workforce Development Agency

Address: 801 K Street, Suite 2101, Sacramento, CA 95814

Telephone Number: (916) 327-9064

Facsimile Number: (916) 327-9158

E-mail Address: Victoria.bradshaw@labor.ca.gov

### **Name of WIA Title I Signatory Official:**

Victoria Bradshaw, Secretary, California Labor and Workforce Development Agency

Address: 801 K Street, Suite 2101, Sacramento, CA 95814

Telephone Number: (916) 327-9064

Facsimile Number: (916) 327-9158

E-mail Address: Victoria.bradshaw@labor.ca.gov

### **Name of WIA Title I Liaison:** Patrick Henning, Director, California Employment Development Department

Address: P.O. Box 826880, Sacramento, CA 94280-0001

Telephone Number: (916) 654-8210

Facsimile Number: (916) 657-5294

E-mail Address: phenning@edd.ca.gov

**Name of Wagner-Peyser Act Grant Recipient/State Employment Security Agency:**

Patrick Henning, Director, California Employment Development Department

Address: P.O. Box 826880, Sacramento, CA 94280-0001

Telephone Number: (916) 654-8210

Facsimile Number: (916) 657-5294

E-mail Address: phenning@edd.ca.gov

**Name and title of State Employment Security Administrator (Signatory Official):**

Patrick Henning, Director, California Employment Development Department

Address: P.O. Box 826880, Sacramento, CA 94280-0001

Telephone Number: (916) 654-8210

Facsimile Number: (916) 657-5294

E-mail Address: phenning@edd.ca.gov

As the Governor, I certify that for the State/Commonwealth of \_\_\_\_\_, the agencies and officials designated above have been duly designated to represent the State/Commonwealth in the capacities indicated for the Workforce Investment Act, Title I, and Wagner-Peyser Act grant programs. Subsequent changes in the designation of officials will be provided to the U.S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

Typed Name of Governor: Arnold Schwarzenegger

Signature of Governor \_\_\_\_\_ Date \_\_\_\_\_

## Glossary of Acronyms and Abbreviations

AB	Assembly Bill
ALMIS	America's Labor Market Information System
BLS	Bureau of Labor Statistics
BTHA	Business Transportation and Housing Agency
CALED	California Association of Local Economic Development
CalJOBS	California's Computerized Job Search System
CalWorks	California Work Opportunity and Responsibility to Kids
CBU	Capacity Building Unit
CBW	Capacity Building Workgroup
CCCCO	California Community Colleges Chancellor's Office
CDE	California Department of Education
CDSS	California Department of Social Services
CEO	Chief Elected Officials
CESP	California Economic Strategy Panel
CHHSA	California Health and Human Services Agency
CRD	Compliance Review Division
CREP	California Regional Economies Project
CTE	Career Technical Education
CWA	California Workforce Association
DABSA	Dymally-Alatorre Bilingual Services Act
DGS	Department of General Services
DOL	U.S. Department of Labor
DVOP	Disabled Veterans Outreach Program
ECMS	Employer Contact Management System
EDD	Employment Development Department
ETA	Employment and Training Administration
ETP	Employment Training Panel
ETPL	Eligible Training Provider List
FRED	Federal Research and Evaluation Database
GED	General Equivalency Diploma
Governor's Committee	The Governor's Committee for the Employment of People with Disabilities
GPRA	Government Performance and Results Act
GSC	Golden Sierra Consortium
IAW	Initial Assistance Workshops
IRP	Individual Reemployment Plan
IT	Information Technology
ITA	Individual Training Accounts
JS	Job Service
JTA	Job Training Automation
LEP	Limited English Proficient
LMID	Labor Market Information Division
Local Area	Local Workforce Investment Area
Local Board	Local Workforce Investment Board
LVER	Local Veterans Employment Representative

LVN	Licensed Vocational Nurse
LWDA	Labor and Workforce Development Agency
MOA	Methods of Administration
MOU	Memoranda of Understanding
MSFW	Migrant and Seasonal Farm Workers
NoRTEC	Northern Rural Training Employment Consortium
OJT	On-the-Job-Training
ONET	Occupational Information Network
PASS	Program Activity Support System
PIP	Planning Information Packets
PJSA	Personalized Job Search Assistance
PRA	Personal Re-employment Account
PY	Program Year
REA	Reemployment Eligibility Assessment
RES	Reemployment Services
RFP	Request for Proposal
RN	Registered Nurse
SB	Senate Bill
SCANS	Secretary's Commission on Achieving Necessary Skills
SFP	Solicitation for Proposal
SI	Supply Indicator
SIT	State Interagency Team for Children, Youth, and Families
State Board	California Workforce Investment Board
Strategy	California Comprehensive Strategy for the Employment of People with Disabilities
SWAO	Senior Worker Advocate Office
SYVT	State Youth Vision Team
TAA	Trade Adjustment Assistance
TANF	Temporary Assistance to Needy Families
TEGL	Training & Employment Guidance Letter
UI	Unemployment Insurance
UIB	Unemployment Insurance Branch
WARN	Worker Adjustment and Retraining Notification
WIA	Workforce Investment Act
WIAD	Workforce Investment Act Directive
WIAB	Workforce Investment Act Bulletin
WSB	Workforce Services Branch
WSD	Workforce Services Division

## California Workforce Investment Board Membership

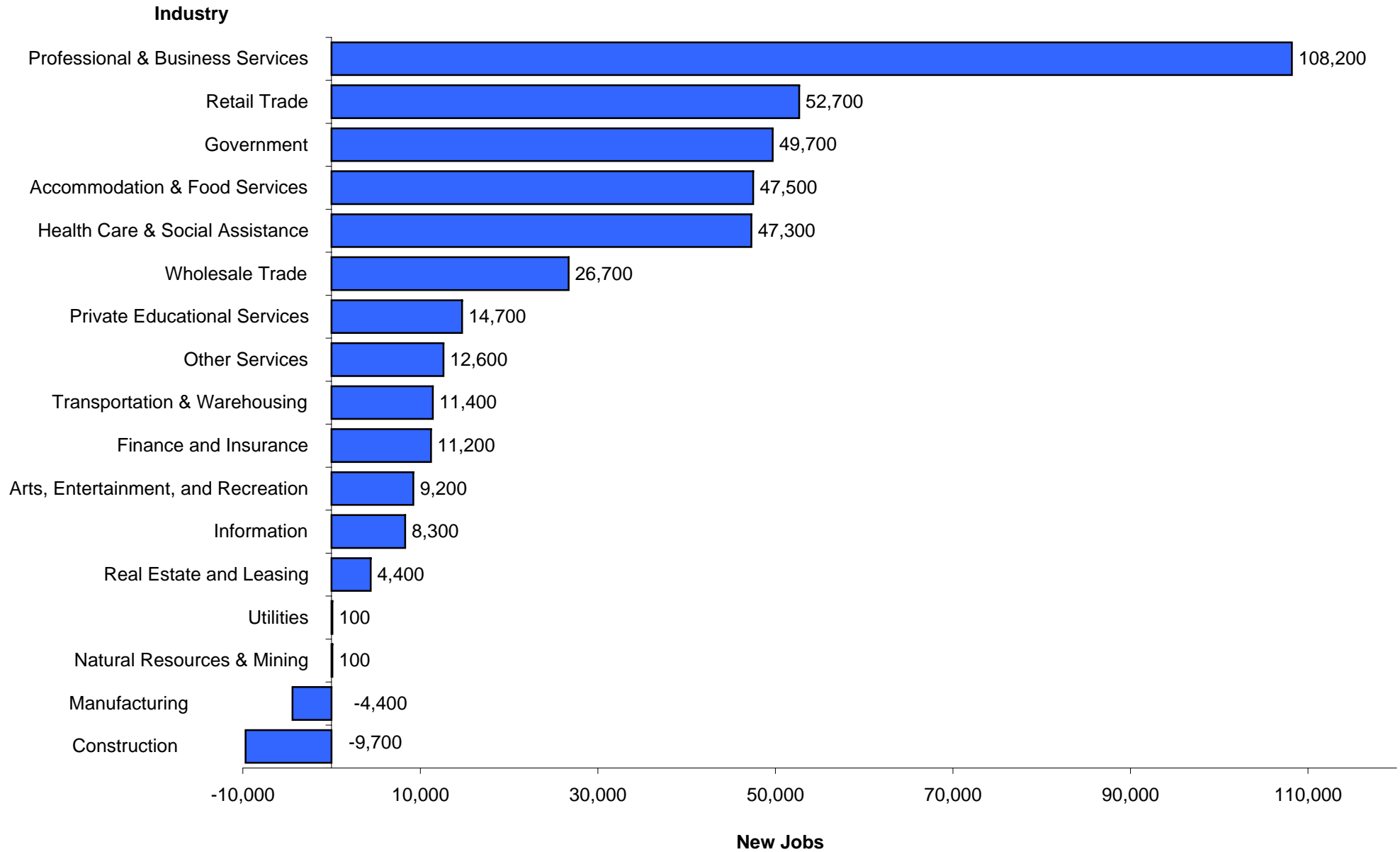
NAME	TITLE/AFFILIATION
Mr. Larry Gottlieb Chair, State Board	Vice-President of Government and Public Affairs and Associate Corporate Counsel KB Homes
Ms. Cynthia Amador	President and CEO CHARO Community Development Corporation
Mr. Bob Balgenorth	President State Building and Construction Trades Council of California
Ms. S. Kimberly Belshe	Secretary Health and Human Services Agency
Mr. Norris Bishton	Attorney NOARUS Auto Group
Mr. Dale E Bonner	Secretary California Business, Transportation and Housing Agency
Ms. Victoria Bradshaw	Secretary California Labor and Workforce Development Agency
Mr. Ken Burt	Political Director California Federation of Teachers
Mr. Jerry Butkiewicz	Secretary/Treasurer San Diego/Imperial Counties Labor Council
Mr. Jamil Dada	Vice President, Investment Services Provident Bank
The Honorable Mark Drummond	Chancellor California Community Colleges
The Honorable Denise Ducheny	Senator California State Senate
Ms. Chris Essel Vice-Chair, State Board	Senior Vice-President – Government and Community Affairs Paramount Pictures
Mr. Larry Fortune	Owner/President Fortune Associates
Mr. Victor Franco	Vice President, Community Relations NBC/Telemundo 52- Los Angeles
Mr. Joseph Griesedieck	Vice Chairman Korn/Ferry International
Mr. Patrick Henning, Sr.	Director, Employment Development Department
Ms. Faye Huang	Chief Executive Officer Asia Pacific Consulting
Mr. T. Warren Jackson	Vice President Workforce Diversity and Assistant General Counsel Hughes Electronics Corporation
Mr. Kirk Lindsey	President Brite Transportation Systems
Mr. Richard Mendlen	Director, Facility Operations Kennon S. Shea & Associates
The Honorable Carole Migden	Senator California State Senate
Ms. Kathleen Milnes	President and CEO The Entertainment Economy Institute
Mr. Richard Montanez	Vice President of Ethnic Sales & Community Development, North America Division Pepsico, Inc
Mr. Elvin Moon	President and CEO E.W. Moon Incorporated

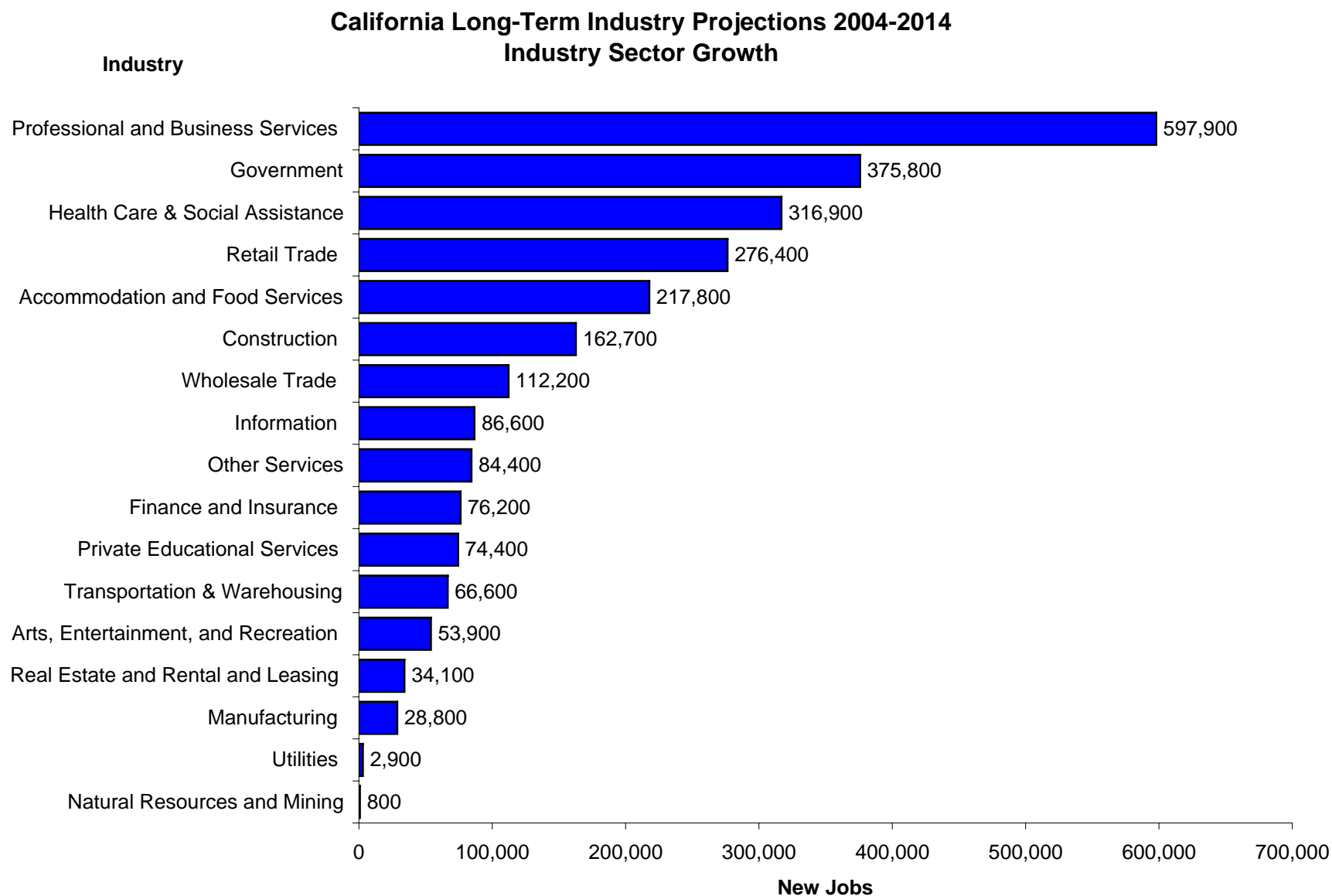
Mr. Edward Munoz	Chief Government Affairs Officer Raytheon Company
Mr. Dwight Nixon	Regional Vice President Hub Group, Incorporated
The Honorable Jack O'Connell	State Superintendent of Public Instruction
Ms. Gayle Pacheco	President Western Hardware Company
Mr. Pete H. Parra	President Parra Family Foundation
Ms. Stella Premo	Executive Director California Restaurant Association Educational Foundation
Mr. Art Pulaski	Executive Secretary/Treasurer California Labor Federation, AFL-CIO
The Honorable Miguel Pulido	Mayor City of Santa Ana
Mr. Frank Quintero, Sr.	Councilmember City of Glendale
Mr. Arturo Rodriguez	President United Farm Workers of America AFL-CIO
Mr. Richard Rubin	President Richard A Rubin Associates
Mr. James Shelby	President and CEO Greater Sacramento Urban League
The Honorable Sandre Swanson	Assemblymember California State Assembly
Ms. Audrey Taylor	President and CEO Chabin Concepts, Incorporated
Mr. Willie Washington	Consultant California Manufacturers and Technology Association

Updated 04-09-07sd

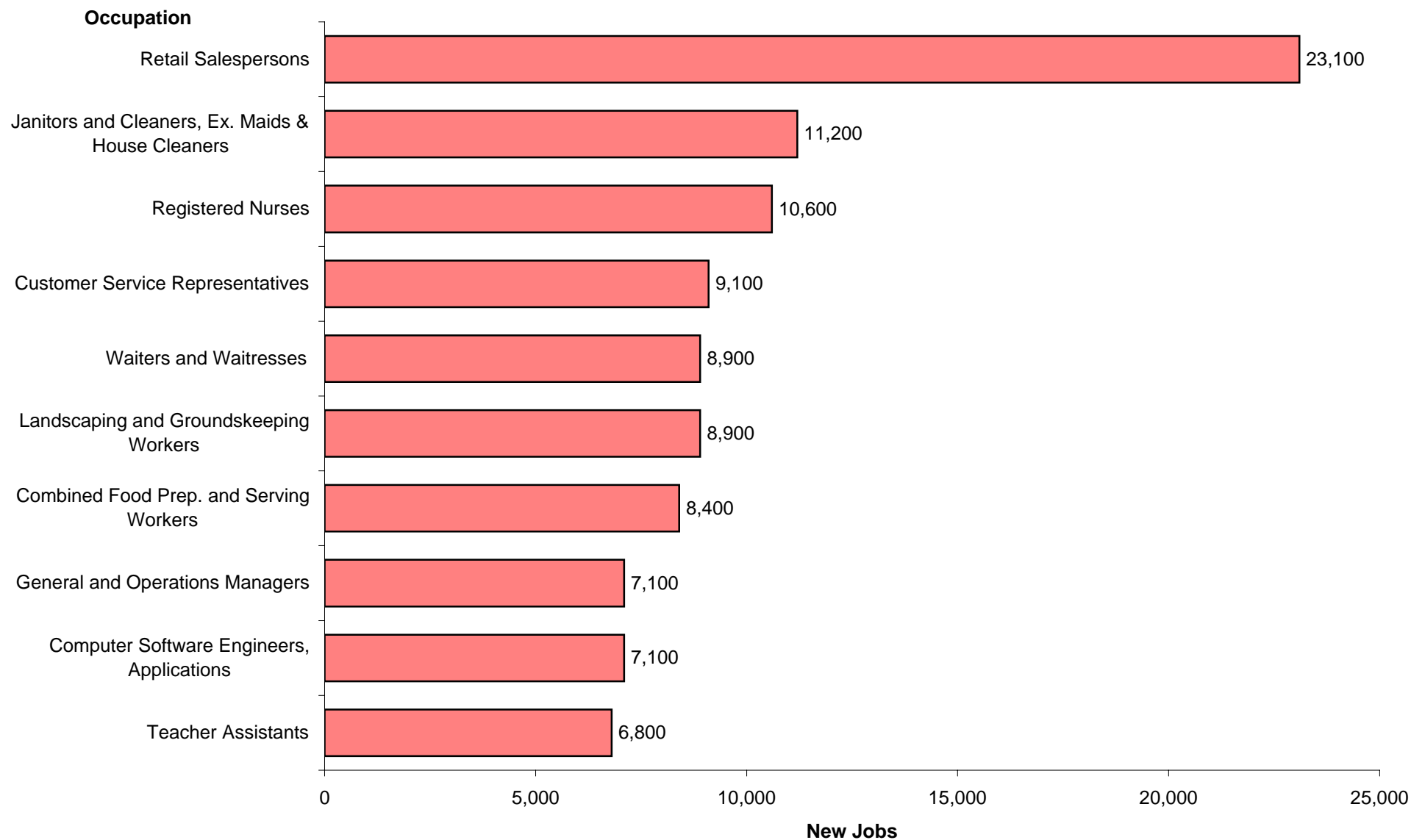


### California Short-Term Industry Projections 2005-07 Industry Sector Growth

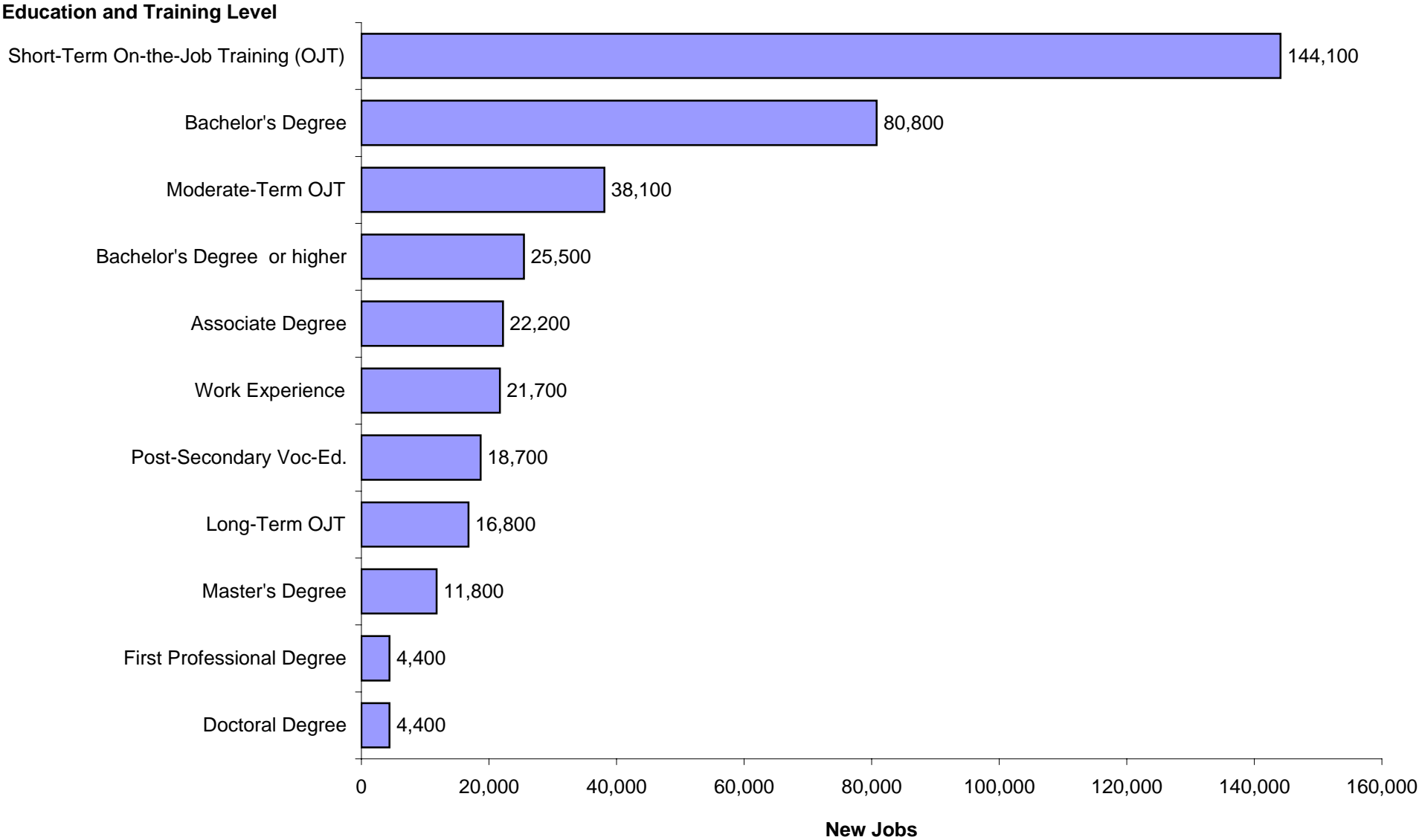




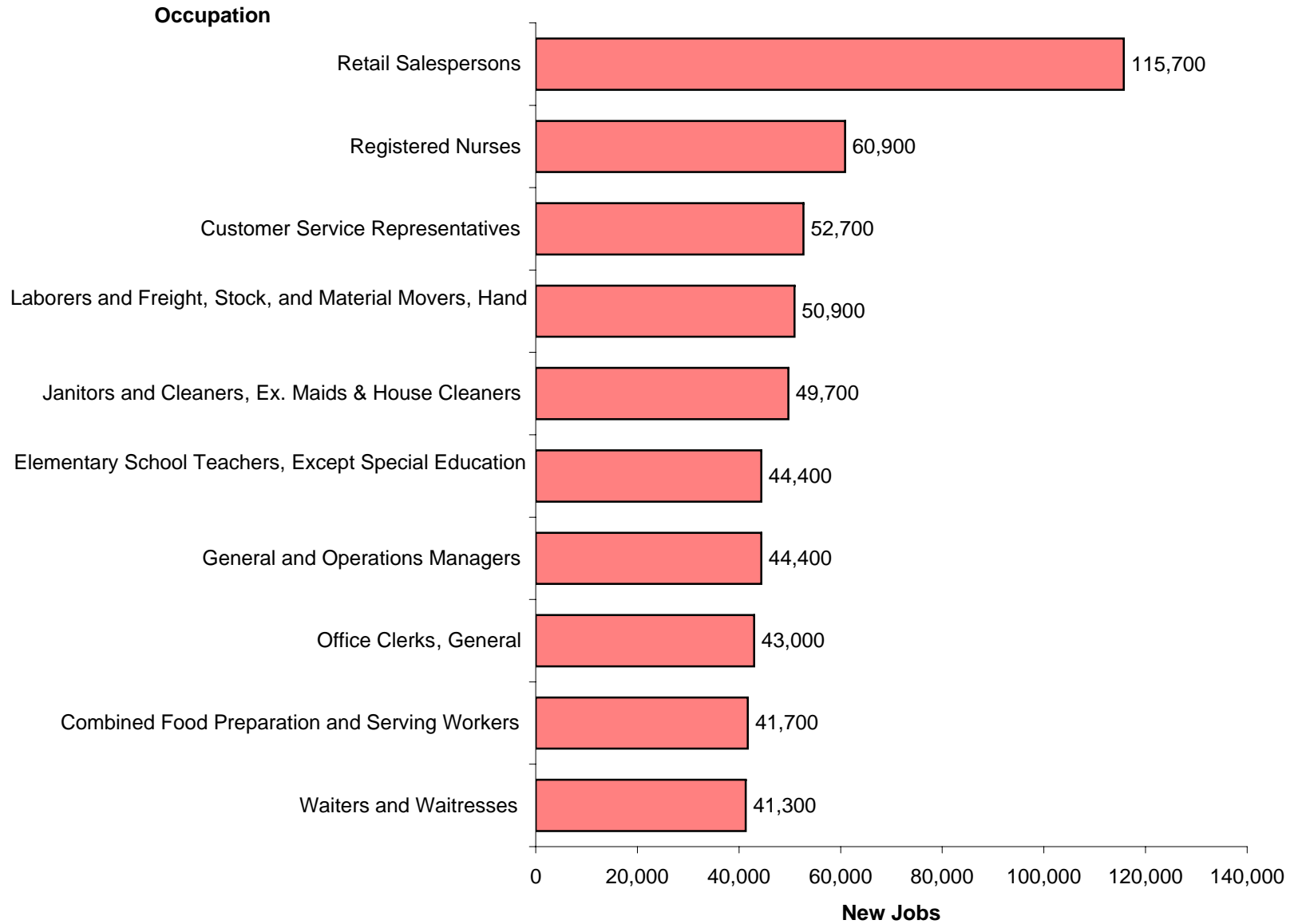
### California Short-Term Occupational Projections 2005-07 Ten Largest Growing Occupations



**California Short-Term Occupational Projections 2005-07  
Employment Growth By Education and Training Level**

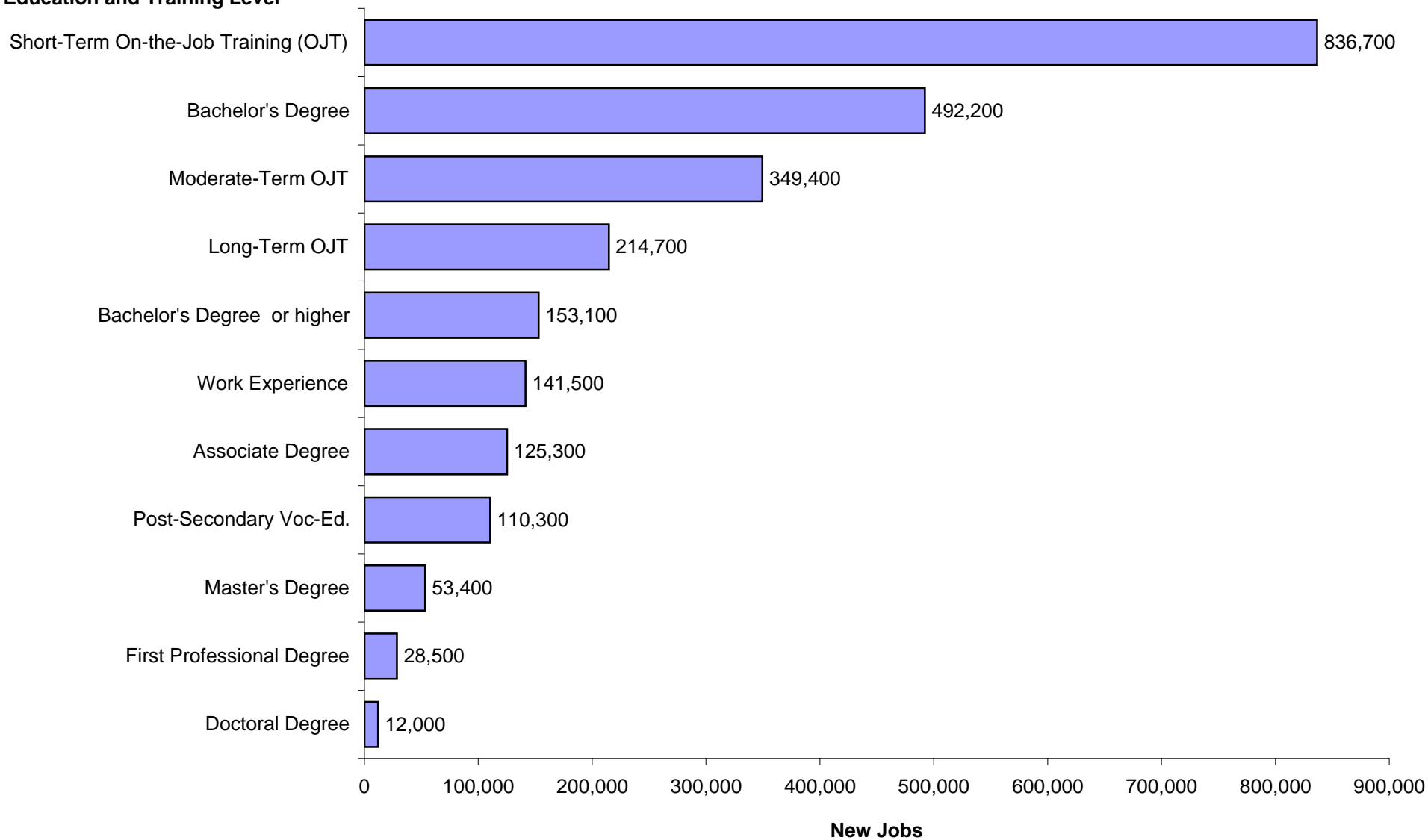


### California Long-Term Occupational Projections 2004-14 Ten Largest Growing Occupations



### California Long-Term Occupational Projections 2004-14 Employment Growth By Education and Training Level

#### Education and Training Level



## Comparison of Growing Occupations in California Base Year 2004 to Projected Year 2014

<b>Fastest Growing* (Percentage Growth)</b>	<b>Education / Training Level</b>	<b>Largest Growing* (Adding the Most Jobs)</b>
Home Health Aides (47.8% or 19,700 jobs) Crossing Guards (25.5% or 1,300 jobs) Cutters and Trimmers, Hand (25.0% or 1,600 jobs) Retail Salespersons (24.4% or 115,700 jobs) Nonfarm Animal Caretakers (24.3% or 3,400 jobs)	<b>Short-term on-the-job training (one month or less)</b>	Retail Salespersons ( 115,700 jobs) Laborers and Freight, Stock, and Material Movers, Hand (50,900 jobs) Janitors and Cleaners, Except Maids and Housekeeping Cleaners (49,700 jobs) Office Clerks, General (43,000 jobs) Combined Food Preparation and Serving Workers, Including Fast Food (41,700 jobs)
Dental Assistants (40.9% or 16,900 jobs) Medical Assistants (35.7% or 18,200 jobs) Social and Human Service Assistants (28.8% or 8,000 jobs) Fence Erectors ( 27.3% or 1,500 jobs) Customer Service Representatives ( 26.4% or 52,700 jobs)	<b>Moderate-term on-the-job training (one to 12 months)</b>	Customer Service Representatives ( 52,700 jobs) Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products (30,500 jobs) Executive Secretaries and Administrative Assistants (29,900 jobs) Truck Drivers, Heavy and Tractor-Trailer (28,400 jobs) Medical Assistants (18,200 jobs)
Tile and Marble Setters (31.0% or 5,400 jobs) Heating, Air Conditioning, and Refrigeration Mechanics and Installers ( 26.9% or 4,700 jobs) Fire Fighters (26.2% or 6,900 jobs) Cement Masons and Concrete Finishers (23.9% or 6,800 jobs) Plumbers, Pipefitters, and Steamfitters (23.2% or 12,700 jobs)	<b>Long-term on-the-job-training (12 months or more)</b>	Carpenters (41,300 jobs) Maintenance and Repair Workers, General (23,900 jobs) Cooks, Restaurant (16,800 jobs) Police and Sheriff's Patrol Officers (12,700 jobs) Plumbers, Pipefitters, and Steamfitters (12,700 jobs)
Construction and Building Inspectors ( 25.5% or 2,800 jobs) First-Line Supervisors/Managers of Transportation and Material-Moving Machine and Vehicle Operators ( 22.5% or 5,000 jobs) First-Line Supervisors/Managers of Housekeeping and Janitorial Workers ( 21.3% or 4,400 jobs) Self-Enrichment Education Teachers ( 21.1% or 7,200 jobs) First-Line Supervisors/Managers of Fire Fighting and Prevention Workers ( 20.0% or 1,500 jobs)	<b>Work experience in a related occupation</b>	First-Line Supervisors/Managers of Office and Administrative Support Workers (17,400 jobs) First-Line Supervisors/Managers of Retail Sales Workers (16,500 jobs) First-Line Supervisors/Managers of Food Preparation and Serving Workers (15,800 jobs) First-Line Supervisors/Managers of Construction Trades and Extraction Workers (13,700 jobs) First-Line Supervisors/Managers of Mechanics, Installers, and Repairers (8,100 jobs)
Gaming Dealers ( 38.5% or 3,500 jobs) Fitness Trainers and Aerobics Instructors ( 27.6% or 7,400 jobs) Vocational Education Teachers, Postsecondary (27.5% or 3,600 jobs) Emergency Medical Technicians and Paramedics (26.5% or 3,100 jobs) Surgical Technologists ( 24.5% or 2,300 jobs)	<b>Postsecondary vocational training</b>	Automotive Service Technicians and Mechanics (16,600 jobs) Preschool Teachers, Except Special Education (11,800 jobs) Licensed Practical and Licensed Vocational Nurses (11,200 jobs) Fitness Trainers and Aerobics Instructors (7,400 jobs) Real Estate Sales Agents (5,600 jobs)

## Comparison of Growing Occupations in California Base Year 2004 to Projected Year 2014

<b>Fastest Growing* (Percentage Growth)</b>	<b>Education / Training Level</b>	<b>Largest Growing* (Adding the Most Jobs)</b>
Dental Hygienists ( 41.7% or 8,300 jobs) Veterinary Technologists and Technicians ( 30.3% or 2,000 jobs) Paralegals and Legal Assistants ( 28.5% or 7,300 jobs) Registered Nurses ( 26.4% or 60,900 jobs) Medical Records and Health Information Technicians ( 25.9% or 3,600 jobs)	<b>Associate degree</b>	Registered Nurses (60,900 jobs) Computer Support Specialists (14,900 jobs) Dental Hygienists ( 8,300 jobs) Paralegals and Legal Assistants (7,300 jobs) Electrical and Electronic Engineering Technicians (4,700 jobs)
Network Systems and Data Communications Analysts ( 59.1% or 14,300 jobs) Computer Software Engineers, Applications ( 46.4% or 39,200 jobs) Computer Software Engineers, Systems Software ( 45.8% or 23,400 jobs)  Network and Computer Systems Administrators (41.9% or 12,400 jobs) Database Administrators ( 41.6% or 4,700 jobs)	<b>Bachelor's degree</b>	Elementary School Teachers, Except Special Education (44,400 jobs) Computer Software Engineers, Applications (39,200 jobs) Accountants and Auditors (29,500 jobs)  Secondary School Teachers, Except Special and Vocational Education (24,800 jobs) Computer Software Engineers, Systems Software (23,400 jobs)
Agents and Business Managers of Artists, Performers, and Athletes ( 33.9% or 2,000 jobs) Computer and Information Systems Managers ( 28.1% or 9,800 jobs) Compensation and Benefits Managers ( 27.6% or 1,600 jobs) Sales Managers ( 24.7% or 12,200 jobs) Producers and Directors ( 24.5% or 4,800 jobs)	<b>Bachelor's degree or higher plus work experience</b>	General and Operations Managers (44,400 jobs) Management Analysts (15,200 jobs) Financial Managers (12,300 jobs) Sales Managers (12,200 jobs) Computer and Information Systems Managers (9,800 jobs)
Health Specialties Teachers, Postsecondary ( 32.9 % or 2,400 jobs) Art, Drama, and Music Teachers, Postsecondary ( 32.2% or 1,900 jobs) Physical Therapists ( 29.1% or 3,900 jobs) Substance Abuse and Behavioral Disorder Counselors ( 26% or 2,500 jobs) Instructional Coordinators ( 25.0% or 3,300 jobs)	<b>Master's degree</b>	Market Research Analysts (5,400 jobs) Educational, Vocational, and School Counselors (4,600 jobs) Physical Therapists (3,900 jobs) Instructional Coordinators (3,300 jobs) Mental Health Counselors (3,000 jobs)
Medical Scientists, Except Epidemiologists ( 35.5% or 5,500 jobs) Clinical, Counseling, and School Psychologists ( 22.3% or 5,400 jobs) Computer and Information Scientists, Research ( 19.3% or 1,100 jobs)	<b>Doctoral degree</b>	Medical Scientists, Except Epidemiologists (5,500 jobs) Clinical, Counseling, and School Psychologists (5,400 jobs) Computer and Information Scientists, Research (1,100 jobs)
Pharmacists ( 24.1% or 5,700 jobs) Chiropractors ( 19.2% or 1,000 jobs) Family and General Practitioners ( 16.3% or 1,500 jobs) Lawyers ( 15.7% or 12,800 jobs) Surgeons ( 13.8% or 800 jobs)	<b>First professional degree</b>	Lawyers (12,800 jobs) Pharmacists (5,700 jobs) Dentists, General (1,900 jobs) Family and General Practitioners (1,500 jobs) Chiropractors (1,000 jobs)

\* Excludes "All Other" categories and occupations with employment less than 5,000 in 2004.

Source: State of California, Employment Development Department  
Labor Market Information Division, (916) 262-2162



## TOP SKILLS REQUIRED IN CALIFORNIA INDUSTRIES

(Italicized skills are common across industries)

Attachment K

Automotive	Biotechnology	Construction	Financial	Geospatial	Health Care
<ul style="list-style-type: none"> <li>• Active learning</li> <li>• <i>Active listening</i></li> <li>• <i>Coordination</i></li> <li>• <i>Critical thinking</i></li> <li>• Instructing</li> <li>• <i>Judgment and decision making</i></li> <li>• <i>Reading comprehension</i></li> <li>• Social perceptiveness</li> <li>• <i>Speaking</i></li> <li>• <i>Time management and</i></li> <li>• Troubleshooting</li> </ul>	<ul style="list-style-type: none"> <li>• Active learning</li> <li>• <i>Active listening</i></li> <li>• <i>Coordination</i></li> <li>• <i>Critical thinking</i></li> <li>• <i>Judgment and decision making</i></li> <li>• Monitoring</li> <li>• <i>Reading comprehension</i></li> <li>• Social perceptiveness</li> <li>• <i>Speaking</i></li> <li>• <i>Time management and</i></li> <li>• Writing</li> </ul>	<ul style="list-style-type: none"> <li>• Active learning</li> <li>• <i>Active listening</i></li> <li>• <i>Coordination</i></li> <li>• <i>Critical thinking</i></li> <li>• Equipment selection</li> <li>• Installation</li> <li>• <i>Judgment and decision making</i></li> <li>• <i>Mathematics</i></li> <li>• <i>Reading comprehension</i></li> <li>• <i>Speaking and</i></li> <li>• <i>Time management</i></li> </ul>	<ul style="list-style-type: none"> <li>• Active learning</li> <li>• <i>Active listening</i></li> <li>• <i>Critical thinking</i></li> <li>• <i>Judgment and decision making</i></li> <li>• <i>Mathematics</i></li> <li>• <i>Reading comprehension</i></li> <li>• Service orientation</li> <li>• <i>Speaking and</i></li> <li>• <i>Time management and</i></li> <li>• Writing</li> </ul>	<ul style="list-style-type: none"> <li>• Active learning</li> <li>• <i>Active listening</i></li> <li>• Complex problem solving</li> <li>• <i>Coordination</i></li> <li>• <i>Critical thinking</i></li> <li>• Equipment selection</li> <li>• <i>Judgment and decision making</i></li> <li>• <i>Mathematics</i></li> <li>• <i>Reading comprehension</i></li> <li>• <i>Speaking</i></li> <li>• Technology design</li> <li>• <i>Time management and</i></li> <li>• Troubleshooting</li> </ul>	<ul style="list-style-type: none"> <li>• Active learning</li> <li>• <i>Active listening</i></li> <li>• <i>Critical thinking</i></li> <li>• Instructing</li> <li>• Learning strategies</li> <li>• <i>Reading comprehension</i></li> <li>• Social perceptiveness</li> <li>• <i>Speaking</i></li> <li>• <i>Time management and</i></li> <li>• Writing</li> </ul>

Source: Labor Market Information Division

150

Industry breakout from High Growth Training Initiative

Occupational Selection: California Projections of Employment 2004-14

Occupational Skills: Occupational Information Network (O\*NET)

## TOP SKILLS REQUIRED IN CALIFORNIA INDUSTRIES

(Italicized skills are common across industries)

Attachment K

Hospitality	Information Technology	Manufacturing	Retail	Transportation
<ul style="list-style-type: none"> <li>• <i>Active listening</i></li> <li>• <i>Coordination</i></li> <li>• <i>Critical thinking</i></li> <li>• <i>Instructing</i></li> <li>• <i>Mathematics</i></li> <li>• <i>Reading comprehension</i></li> <li>• <i>Service orientation</i></li> <li>• <i>Social perceptiveness</i></li> <li>• <i>Speaking and</i></li> <li>• <i>Time management</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Active learning</i></li> <li>• <i>Active listening</i></li> <li>• <i>Complex problem solving</i></li> <li>• <i>Critical thinking</i></li> <li>• <i>Judgment and decision making</i></li> <li>• <i>Reading comprehension</i></li> <li>• <i>Time management and</i></li> <li>• <i>Troubleshooting</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Active learning</i></li> <li>• <i>Active listening</i></li> <li>• <i>Critical thinking</i></li> <li>• <i>Mathematics</i></li> <li>• <i>Reading comprehension</i></li> <li>• <i>Speaking and</i></li> <li>• <i>Time management</i></li> </ul> <p><b>Professional workers' additional requirements:</b></p> <ul style="list-style-type: none"> <li>• <i>Judgment and decision making and</i></li> <li>• <i>Complex problem solving</i></li> </ul> <p><b>Technician/Production Workers' shared skills:</b></p> <ul style="list-style-type: none"> <li>• <i>Equipment maintenance</i></li> <li>• <i>Equipment selection and</i></li> <li>• <i>Monitoring</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Active learning</i></li> <li>• <i>Active listening</i></li> <li>• <i>Critical thinking</i></li> <li>• <i>Instructing</i></li> <li>• <i>Mathematics</i></li> <li>• <i>Reading comprehension</i></li> <li>• <i>Service orientation</i></li> <li>• <i>Social perceptiveness</i></li> <li>• <i>Speaking and</i></li> <li>• <i>Time management</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Active listening</i></li> <li>• <i>Coordination</i></li> <li>• <i>Critical thinking</i></li> <li>• <i>Reading comprehension</i></li> <li>• <i>Social perceptiveness</i></li> <li>• <i>Speaking and</i></li> <li>• <i>Time management</i></li> </ul>

Source: Labor Market Information Division

151

Industry breakout from High Growth Training Initiative

Occupational Selection: California Projections of Employment 2004-14

Occupational Skills: Occupational Information Network (O\*NET)

Local Workforce Investment Areas	Business City
Alameda County	Hayward
Carson, Lomita, Torrance Consortium	Carson
City of Anaheim	Anaheim
City of Long Beach	Long Beach
City of Los Angeles	Los Angeles
City of Oakland	Oakland
City of Richmond	Richmond
City of San Bernardino	San Bernardino
City of San Jose/Silicon Valley Workforce Investment Area	San Jose
City of Santa Ana	Santa Ana
Contra Costa County	Concord
Foothill Consortium	Pasadena
Fresno County	Fresno
Golden Sierra	Auburn
Humboldt County	Eureka
Imperial County	El Centro
Kern, Inyo, and Mono Consortium	Bakersfield
Kings County	Hanford
Los Angeles County	Los Angeles
Madera County	Madera
Marin County	San Rafael
Mendocino County	Arcata
Merced County	Merced
Monterey County	Salinas
Mother Lode Consortium	Sonora
Napa County	Napa
NorTEC	Paradise
North Central Counties Consortium	Yuba City
NOVA	Sunnyvale
Orange County	Anaheim
Riverside County	Riverside
Sacramento County/City	Sacramento
San Benito County	Hollister
San Bernardino County	San Bernardino
San Diego County/City	San Diego
San Francisco County/City	San Francisco
San Joaquin County	Stockton
San Luis Obispo County	San Luis Obispo
San Mateo County	Belmont
Santa Barbara County	Santa Barbara
Santa Cruz County	Santa Cruz
SELACO	Cerritos
Solano County	Suisun
Sonoma County	Santa Rosa
South Bay Consortium	Hawthorne
Stanislaus County	Modesto
Tulare County	Visalia
Ventura County	Ventura
Verdugo Consortium	Glendale
Yolo County	Woodland

### WORKFORCE INVESTMENT ACT PERFORMANCE

	PY 2002/03 <sup>1/</sup> Performance		PY 2003/04 <sup>2/</sup> Performance		PY 2004/05 <sup>3/</sup> Performance		PY 2005/06 <sup>4/</sup>	PY 2006-07 <sup>4/</sup>
Performance Measure	Actual	Goal	Actual	Goal	Actual	Goal	Goal	Goal
<u>Adult Program</u>								
Entered Employment	73.2%	70%	72.1%	72%	71.1%	72%	73%	74%
Retention	80.8%	78%	82.7%	81%	82.2%	82%	82%	83%
Wage Gain	\$2,759	\$3,400	\$3,179	\$3,400	\$3,945	\$3,450	\$3,500	\$3,550
Employment and Credential	53.9%	50%	55.9%	50%	49.9%	55%	55%	55%
<u>Dislocated Workers</u>								
Entered Employment	82.8%	70%	80.1%	79%	78.7%	79.5%	80%	81%
Retention	87.9%	85%	88.3%	88%	87.3%	88%	88%	89%
Wage Replacement/ Wage Gain	84.0%	88%	81.4%	96%	80.0%	96%	-\$3,000	-\$3,000
Employment and Credential	65.4%	45%	66.8%	58%	63.0%	58%	59%	60%
<u>Older Youth</u>								
Entered Employment	70.9%	58%	71.5%	66%	73.4%	67%	68%	69%
Retention	80.4%	74%	78.3%	76.5%	77.0%	78%	78%	79%
Wage Gain	\$3,464	\$2,700	\$3,604	\$3,000	\$3,450	\$3,000	\$3,200	\$3,300
Employment and Credential	32.5%	30%	35.7%	30%	34.5%	30%	32%	33%
<u>Younger Youth</u>								
Skill Attainment	78.7%	75%	80.7%	76%	82.3%	76.5%	78%	79%
Diploma or Equivalent	64.1%	45%	61.5%	55%	65.6%	55.5%	60%	61%
Retention (Education, Military or Employment)	59.0%	45%	59.3%	53%	63.0%	53%	58%	59%
<u>Employer Customer</u>								
Satisfaction (Index)	73.2	66	67.9	75	66	75	75	75
<u>Job Seeker Customer</u>								
Satisfaction (Index)	76.1	68	74.6	75	75.1	75	75	75

<sup>1/</sup>For Program Year (PY) 2002 the performance cohort for the entered employment, employment and credential, retention and wages is from October 1 of the previous program year to September 30 of the current program year. For example, for PY 2002, the client cohort being evaluated is October 1, 2001 through September 30, 2002. For the Skill Attainment measure the cohort is Younger Youth clients scheduled to reach their goals during the PY, July 1 through June 30. The Younger Youth Diploma and Equivalent rate is based on Younger Youth leaving the program during the PY.

<sup>2/</sup>For PY 2003, the Department of Labor redefined the performance cohorts in order to accommodate earlier completion of the Annual Report. For this PY the cohort for the Entered Employment Rates and the Employment and Credential Rates is October 1, 2002 through September 30, 2003. The wage and retention measures are based on the clients leaving the programs between April 1, 2002 and March 31, 2003. The Skill Attainment Rate and the Diploma and Equivalent Rate evaluate the performance for clients leaving the Younger Youth Program between April 1, 2003 and March 31, 2004.

<sup>3/</sup> These columns reflect data through the 2nd quarter of PY 2004.

<sup>4/</sup> For PY2005-06 and PY2006-07, the Adult and Dislocated Worker Employment Retention measures have been redefined and the Dislocated Worker Wage Replacement Measure is now a six-month wage gain measure similar to the Adult Wage Gain measure.